23626

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# TRANSCRIPT OF RECORD.

## SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, [redacted]

No. [redacted]

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

LEHIGH VALLEY RAILROAD COMPANY, LEHIGH VALLEY COAL COMPANY ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

## RECORD: VOLUME IV.

DEFENDANTS' EVIDENCE AND EXHIBITS.

FILED FEBRUARY 25, 1915.

(24576)

# In the District Court of the United States, Southern District of New York.

In Equity, No. 11-129.

UNITED STATES OF AMERICA, *Petitioner*,

v.

LEHIGH VALLEY RAILROAD CO. ET. AL., *Defendants*.

## RECORD: VOLUME IV.

DEFENDANTS' EVIDENCE AND EXHIBITS.

L. SUBLISHTON CO., NEW YORK

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## L. V. R. R. EXHIBIT NO. 1. 8249

STATEMENT RELATIVE TO THE LEASES TO THE WERTHEIM COAL AND COKE COMPANY, DATED JUNE 12, 1906, AND APRIL 30, 1908, COVERING LAND AT JERSEY CITY.

| | MINIMUM REQUIREMENT. "TONS OF COAL" | TONNAGE. | |
|---|---|---|---|
| November 1, 1906 to Nov. 1, 1907 | 30,000 | 54,566.17 | |
| November 1, 1907 to Nov. 1, 1908 | 50,000 | 87,815.13 | 8250 |
| November 1, 1908 to Nov. 1, 1909 | 90,000 | 89,762.02 | |
| November 1, 1909 to Nov. 1, 1910 | 120,000 | 106,721.00 | |
| November 1, 1910 to Nov. 1, 1911 | 120,000 | 112,446.03 | |
| November 1, 1911 to Nov. 1, 1912 | 120,000 | 73,939.02 | |
| November 1, 1912 to Nov. 1, 1913 | 120,000 | 73,513.40 | 8251 |

8252

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# L. V. R. R. EXHIBIT NO. 2.

## STATEMENT OF LEASES CONTAINING A SHIPPING CLAUSE.

**New Jersey.**

| Lease No. | Location. | Tenant. | Kind of Business. |
|---|---|---|---|
| 22 | Bayonne | Monroe-Eckstein Brewing Co. | Brewing Company. |
| 23 | " | Bayonne Lumber & Mfg. Co. | Lumber and masons' supplies. |
| 6 | Bloomsbury | J. S. Pickel | Agricultural implements. |
| * 4 | Bound Brook | P. E. Apgar | Coal and feed. |
| * 4-A | " " | P. J. Staats | Coal, lumber and masons' supplies. |
| A | Clinton | James Wyckoff | Milk. |
| 4 | " | E. E. Tomson | Electric plant. |
| 254 4 | Constables Hook | Colonial Creosoting Co. | Creosoting plant. |
| * 1 | Cranford | J. C. W. Rankin | Coal. |
| * 9-A | Elizabeth | D. L. Miller | Coal and masons' supplies. |
| 13 | " | D. L. Miller | " " " |
| A | Flemington | Seiler Bros. | Milk. |
| * 1 | Greenville | Greenville Coal & Ice Co. | Hay, coal, grain and ice. |
| 32 | " | Jersey City Bill Posting, Display Advt. & Sign Co. | Bill Posting. |
| 6 | Irvington | Stone-Post Company | Retail hardware and masons' supplies. |
| * 7 | " | The Lehigh Valley Coal Co. | Coal. |
| 11 | " | Union Ice Company | Ice. |
| 14 | " | Lackawanna Ice Company | Ice. |
| 16 | " | C. E. Lindsley & Co. | Building blocks. |
| 17 | " | " | " " |
| 18 | " | N. Y. Telephone Company | Telephone. |
| 255 19 | " | Albert Backus | Stone. |
| * k | Jersey City | Wm. A. Pinto Company | Coal. |
| *44 | " " | The Lehigh Valley Coal Co. | Coal. |
| *84 | " " | James Coyle | Coal. |
| *55 | " " | L. Wertheim Coal & Coke Co. | Coal. |
| F | " " | General Baking Company. | Bakery. |
| 2 | " " | C. Heidt & Son | Cooperage. |
| 45 | " " | Van Keuren & Sons | Contractors. |
| 50 | " " | L. Wertheim Coal & Coke Co. | Coal. |
| 64 | " " | U. S. Metal & Mfg. Co. | Scrap iron. |
| 67 | " " | Bishop & Babcock. | Manufacturing. |
| 21 | " " | United States Express Co. | Express. |
| 69 | " " | William N. Connor | Poultry accessories. |
| 73 | " " | Henry Kohl Company | Wholesale grocers. |
| 74 | " " | Jos. Dixon Crucible Co. | Various manufactures. |
| 3256 75 | " " | John Buckley | Blacksmith. |
| 77 | " " | William N. Connor | Poultry accessories. |
| 80 | " " | J. F. Boyle Co. | Mfgrs. of paper boards. |
| 81 | " " | General Baking Company | Bakery. |
| 83 | " " | Cork Insulation Company | Mfgrs. of cork insulation. |
| 83-A | " " | Cork Insulation Company | " " " " |
| 85 | " " | J. F. Boyle Company | Mfgrs. of paper boards. |
| 86 | " " | Eclipse L. & T. Co. | Manufacturers. |
| * 4 | Jutland | G. N. Robinson | Coal, hay and grain. |
| A | " | G. N. Robinson | " " " " |
| * 9 | Landsdown | D. S. Fox | Coal, lumber and masons' supplies. |
| 1 | Lincoln | C. K. Williams & Co. | Paint. |
| 2 | " | Atlas M. & M. Co. | " |
| 3 | " | Industrial Service Co. | Storage and repair of contractors' plants. |

# L. V. R. R. EXHIBIT NO. 2—(Continued). 8257

| Lease No. | Location | Tenant. | Kind of Business. |
|---|---|---|---|
| *6 | Neshanic | Shurtz Brothers | Coal, feed and lumber. |
| A | " | Halpin Brothers | Milk. |
| *16 | Newark | The Lehigh Valley Coal Co. | Coal. |
| *45 | " | J. H. Lucking | Coal. |
| *46-B | " | " | " |
| *46-C | " | " | " |
| *46 | " | Paul Brothers | " |
| *46-D | " | " | " |
| *46-A | " | F. E. Benedict | " |
| 42 | " | Vreeland-Kearney Lumber Co. | Lumber. |
| 47 | " | Roe & Conover | Wholesale hardware. |
| 49 | " | " | " " 8258 |
| 50 | " | " | " " |
| 51 | " | American Linseed Company | Oil. |
| *1 | New Market | C. E. Kelly Co. | Lumber and coal. |
| *4 | " " | New Market Coal and Grain Co. | Coal and feed. |
| 5 | " " | G. A. Schenck | Ice. |
| 7 | Park View | Albey Brothers | Paperboards. |
| 9 | " " | Lackawanna Ice Company | Ice. |
| *4 | Pattenburg | William A. Bird | General store. |
| 23 | Perth Amboy | I. R. Robbins | Lumber |
| 24 | " " | L. H. McHose | Clay. |
| 29 | " " | N. J. Portland Cement Co. | Cement. |
| 43 | " " | Perth Amboy Lumber Company. | Lumber. |
| 45 | " " | C. Anderson | Roofing material. 8259 |
| 46 | " " | E. V. Koyen | Cement blocks. |
| 47 | " " | N. Y. Telephone Company | Telephone. |
| 49 | " " | J. W. Obuck | Coal. |
| 50 | " " | E. J. Dorsey & Sons | Ice. |
| 51 | " " | N. J. Terra Cotta Co. | Terra cotta. |
| *44 | Phillipsburg | W. F. Carty | Coal. |
| *44-B | " | M. J. Cannon | Coal. |
| *44-B | " | " | " |
| *44-B | " | " | " |
| *45 | " | Tippett and Wood | Mfgrs. of iron tanks. |
| *52 | " | James Fleming | Coal. |
| 41 | " | Northwestern Consolidated Milling Company | Flour. |
| 47 | " | J. P. Wallace | Coal and feed. |
| *8 | Picton | S. J. Becker | " |
| *8 | " | Bittner, Fitzpatrick Co. | " 8260 |
| 5 | Pittstown | A. E. Roberson | Fertilizer. |
| 10 | " | Hiram Deats, Jr. | Hay and feed. |
| 1 | Raritan Jct. | Raritan Ridge Clay Co. | Ice and clay products. |
| 27 | Roselle | Borden Condensed Milk Co. | Milk. |
| *5 | South Plainfield | Ten Eyck and Harris | Coal. |
| *11 | " " | Lehigh Valley Coal Co. | " |
| 17 | " " | Spicer Mfg. Company | Manufacturers of auto parts. |
| *4 | South Somerville | S. B. Van Ness | Coal. |
| 6 | " " | Humboldt Metal Works | Metal goods. |
| 8 | " " | W. H. Field | Farmer. |
| *1 | Sunnyside | Edw. Bloom | Coal. |
| A | " | James Wyckoff | Milk. |
| 5 | Three Bridges | William Apgar | Agricultural implements. |
| 2 | Valentines | Phoenix Ceramic Works | Porcelain and terra cotta. |
| 13-A | West Portal | C. W. Vannatta | Milk |

## L. V. R. R. EXHIBIT NO. 2—(Continued).

**Pennsylvania.**

| Lease No. | Location. | Tenant | Kind of Business. |
|---|---|---|---|
| *16-A | Allentown | Marcus E. Good | Coal and wood. |
| *21 | " | Jas. Butz & Co. | Sand, plaster and coal. |
| *22 | " | Edgar J. Lumley | Ice and coal. |
| *32-A | " | Allen Coal Company | Coal. |
| *32-B | " | W. H. Marsteller | Wood and coal. |
| *32-C | " | Nelson E. Kern | Coal. |
| *32-E | " | D. F. Bast | Coal. |
| *32-F | " | Jeremiah Kemmerer | Coal and sand. |
| *83-A | " | J. F. Butz & Co. | Sand, plaster and coal. |
| *83-B | " | E. C. Smoyer | Coal. |
| *83-C | " | M. H. Laubach & Bro. | Lumber and coal. |
| *83-D | " | Wm. H. Wisser | Coal. |
| *83-E | " | Southdown Knitting Company | Eiderdown goods. |
| *83-E | " | Lehigh Mills Corporation | Underwear. |
| *83-F | " | J. A. Lieberman Sons | Brewing. |
| *83-F | " | Lieberman Brewing Company | " |
| *83-G | " | L. F. Neuweiler & Son | " |
| *83-H | " | J. F. Butz & Co. | Sand, plaster and coal. |
| *83-K | " | Koch Bros. | Clothing. |
| *83-L | " | Wm. Hilbert & Co. | Draymen. |
| *83-J | " | R. S. Rathbun | General contractors. |
| *83-M | " | H. E. Lehr | Coal. |
| *83-N | " | C. C. Reichard | Coal. |
| 2 | " | L. F. Neuweiler & Son | Hotel. |
| 13 | " | Aborgast & Bastian | Live stock and dressed meats. |
| 25 | " | Allentown Copperas Co. | Ore and paint. |
| 26 | " | Allentown Boiler Works | Boilers and iron. |
| 28 | " | L. H. Yeager & Co. | Crockery and slate. |
| 28½ | " | L. H. Yeager | Crockery and slate. |
| 41 | " | G. H. Kleppinger | Wholesale grocers. |
| 49 | " | John T. Lindstrom | Machine. |
| 61 | " | Kline & Sacks | Stone. |
| 62 | " | Keystone Barrel Works | Staves and oil. |
| 79 | " | Reading Brewing Company | Brewing. |
| 80 | " | M. H. Kuder | Sand, pipe and coal. |
| 85 | " | Fechheimer Steel & Iron Co. | Scrap Iron. |
| 87 | " | Allentown Packing Box Co. | Packing boxes. |
| 89 | " | E. B. McCready | Roofer. |
| 1 | Andreas | W. A. Tyson | Flour and feed. |
| 3 | Ashland | Goyne Steam Company | Steam pumps. |
| *37½ | Athens | F. B. Kintner | Coal and lumber. |
| 25 | " | J. J. Weller | Flour, feed and grain, |
| 41 | " | F. B. Kintner | Coal and lumber. |
| 57 | " | John Dalrymple | Milk. |
| 3 | Audenried | Lehigh & Wilkes-Barre Coal Co. | Coal. |
| * 5 | Cementon | Levi Stofflet | Coal. |
| 4 | " | Levi Stofflet | Coal. |
| 7 | " | Louis Kemp | Sand. |
| 6 | Custers | Monarch Blackboard & Structural Company. | Slate |
| *C-H-I | Delano | J. A. Depew | Merchandise. |
| * 2 | Dimock | John Struppler | Coal. |
| * 3 | " | John Struppler | Coal. |
| 1 | " | W. J. Cronk | Feed and grain. |
| 2 | Dorranceton | G. W. Culver | Timber and lumber |
| 6 | Dushore | Randall & Thomson | Timber and lumber |

## L. V. R. R. EXHIBIT NO. 2—(Continued).

| Lease No. | Location. | Tenant. | Kind of Business. |
|---|---|---|---|
| N | Easton | Cornplanter Refining Company | Oil. |
| O | " | C. K. Williams & Co. | Paint. |
| S | " | W. S. Weaver & Son | Hardware. |
| V | " | Cornplanter Refining Co. | Oil. |
| 1 | Emerald | Moyer & Oswald | Slate. |
| *12 | Fairview | John G. Roberts | Retail coal. |
| 4 | Falls | W. G. Price, Jr. | Sand. |
| * 3 | Freemansburg | Wm. Shimer Son & Company | Hardware, iron toys, timber, sand and pig iron. |
| * 3-B | " | Horace Gross | Coal and sand. |
| * 4 | " | Horace Gross | " " " |
| 7 | Fullerton | R. C. Scheirer | Cement and coal. |
| 88-D | Hazleton | Blumenfelt & Semberg | Dry goods. |
| 91 | " | Swift & Company | Meat. |
| 95 | " | Pennsylvania Brewing Company | Brewing. |
| 99 | " | C. D. Kaier Brewing Company | Brewing. |
| 115 | " | George G. Wetterau | Contractor. |
| 116 | " | Armour Packing Company | Packing. |
| 117 | " | John & C. J. Kirschner | Flour and feed. |
| 120 | " | J. G. Kirschner & Son | " " " |
| 123 | " | Benjamin Iron and Steel Co. | Iron and steel. |
| 132 | " | Harleigh Iron Works Company | Castings and machinery. |
| 132-A | " | Harleigh Iron Works Company | " " " |
| 158 | " | Hazleton Machinery & Supply Co. | Hardware and mine supplies. |
| 184 | " | Harwood Electric Company | Electric supplies. |
| 185 | " | Bartels Brewing Company | Brewing. |
| 191 | " | H. L. Campbell | Contractor. |
| 194 | " | Jeansville Iron Works | Pumps. |
| 195 | " | John H. Wettstein | Timber. |
| 197 | " | A. Pardee & Company | Groceries and mine supplies. |
| * 2 | Homets Ferry | C. H. Forrest | Coal. |
| 10 | Hokendauqua | Michael Cowall | Garden. |
| 12 | Island Park | Island Park Lime & Stone Company | Lime and stone. |
| 1 | Kittatinny | Maurice Bowman | Sand. |
| * 4 | Laceyville | John B. Donavan | Lumber, flour, feed and merchandise. |
| * 4 | La Grange | T. J. Headley | Coal. |
| 3 | Lehigh Gap | J. F. Barber & Co. | Timber and mine props. |
| 4 | " | J. F. Barber & Co. | " " " " |
| 5 | Lizard Creek Jct. | Chas. M. Saeger | Stone. |
| 10 | Lopez | C. A. Johnson | Merchandise. |
| 11 | " | Stonybrook Lumber Company | Lumber. |
| 1 | Lynn | Cooke Milk & Cream Company. | Milk. |
| * 13 | Mauch Chunk | H. A. Butler (J. B. Bennyhoff) | Stone, cement and coal. |
| 12 | " | C. A. Rex | Retail storekeeper. |
| 14 | " | Chas. Neast & Co. | Building supplies. |
| 15 | " | John Otto | Local transfer. |
| 6 | Mehoopany | Burton Williams | Milling. |
| 13 | " | C. T. Vaughn | Timber. |
| 14 | " | S. G. Weed | Lumber. |
| * 14 | Meshoppen | B. J. Dougherty | Coal. |
| 16 | " | Allen Bros. | Cement. |
| 17 | " | Dougherty & Winans | Stone. |

8269

## L. V. R. R. EXHIBIT NO. 2—(Continued).

| Lease No. | Location. | Tenant. | Kind of Business. |
|---|---|---|---|
| • 4 | **Montrose** | **John Struppler** | **Coal.** |
| 2 | New Albany | John Dalrymple | Milk. |
| 4 | " | Maurice Brink | Flour and feed. |
| 3 | Noxen | Albert Lewis Lumber Company | Lumber. |
| • 4 | **Orwigsburg** | **Charles Heisler** | **Coal.** |
| 6 | Pittston | Morris & Co. | Dressed meats. |
| 25 | " | C. Donnelly | Clothes poles. |
| 27 | " | Alpine Knitting Mill Co. | Knit underwear. |
| 28 | " | F. L. Coursen | Hardware. |
| 5 | Ricketts | Trexler & Turrell Lumber Co. | Lumber. |
| 8270 5 | Rummerfield | John F. McCauley | Milk. |
| 7 | " | Roof & McPherson | Lumber. |
| *100 | **Sayre** | **Mary A. Paul** | **Coal.** |
| • 97 | " | **D. Clarey Coal Company** | Coal. |
| 98 | Sayre | Baker & Cary | Lumber and coal. |
| 99 | " | I. S. Hart | Lumber. |
| 102 | " | Tiona Oil Company | Oil. |
| 7 | Shenandoah | T. F. Bradigan & Bro. | General store. |
| 8 | " | Shenandoah Flour & Feed Co. | Flour and feed. |
| 26 | " | O'Hara Brothers | Livery. |
| 24 | " | Shenandoah Abbattoir Company | Stock, meat and produce. |
| 20 | South Bethlehem | General Supply Company | Paving. |
| 24 | " | W. F. Danzer & Co. | Brick, sand and stone. |
| 25 | " | United States Express Company | Express. |
| 8271 26 | " | Bethlehem Foundry & Machinery Co. | Castings and machinery. |
| 27 | " | Twentieth Century Storage Company | Storage. |
| 28 | " | Bethlehem Foundry & Machine Co. | Castings and machinery. |
| 1 | Slatedale | Royal Blue Slate Company | Slate. |
| • 1 | **Springville** | **Brown & Fassett** | **Feed, grain, produce.** |
| A | " | Empire State Dairy Co. | Milk. |
| 5 | " | A. L. Stephens | Building supplies. |
| • 2 | **Stockertown** | **Arthur Taylor** | **Coal.** |
| 8 | Sugar Notch | M. J. Malloy | Cement. |
| 3 | Towanda | Rundell & Co. | Hay and grain. |
| 20 | " | Stegmaier Brewing Company | Brewing. |
| 23 | " | Johnson & Kinney | Stone and posts. |
| 8272 B | Tunkhannock | W. A. Kittredge | Lumber. |
| 4-A | " | Jennings & Stark | Ice. |
| 16 | " | Henry A. Rusch | Milk. |
| 24 | " | Elk Tanning Company | Tanning. |
| 1 | Tyler | O. W. Chase | Stone. |
| 7 | Vosburg | Wyoming Lumber Company | Lumber. |
| 17 | Wilkes-Barre | C. W. Miller | Oil. |
| 47 | " | E. J. Fisher Co. | Scrap iron. |
| 48 | " | Wilkes-Barre Iron & Metal Co. | Iron. |
| 52 | " | J. D. Davenport & Co. | Lumber. |
| 59 | " | The Lehigh Valley Coal Co. | Coal. |
| 1 | Woodbourne | A. E. Norris | Contractor. |
| 1 | Woodhouse | M. S. Allen | Milk. |
| 11-A | Wysox | I. C. Jetter | Milk. |
| 13 | " | C. S. Jakeway | Live stock. |
| 15 | " | J. E. Meredith | Hotel. |

# L. V. R. R. EXHIBIT NO. 2—(Continued). 82

## New York.

| Lease No. | Location. | Tenant. | Kind of Business. |
|---|---|---|---|
| A | Alpine | Beakes Dairy Co. | Milk. |
| • 2 | Auburn | Cuddy & Geherin | Coal. |
| 20 | " | W. N. Henderson Ice Co. | Ice. |
| 21 | " | E. C. Goodrich | Contractor. |
| 22 | " | S. P. Shea | Lunchroom. |
| • 2 | Barton | D. C. Bensley | Coal. |
| • 8 | Batavia | A. L. Carpenter | Coal. |
| 8 | " | A. L. Carpenter | Coal. |
| 10 | " | New York Telephone Co. | Telephone. 82 |
| 11 | " | Liberty Oil Company | Oil. |
| 12 | " | A. L. Carpenter | Coal. |
| A | Brick Church | Levy Dairy Company | Milk. |
| • 8 | Buffalo | Yates-Lehigh Coal Company | Coal. |
| 29 | " | Hurd Brothers | Lumber. |
| 30 | " | A. G. Hauenstein | Lumber. |
| 57-A | " | Pillsbury Flour Mills Co. | Flour. |
| 57-B | " | Pillsbury Flour Mills Co. | Flour |
| 60 | " | Hurd Brothers | Lumber. |
| 62 | " | Mathew A. Kelly | Coal. |
| 66 | " | Mutual Transit Company | Lumber. |
| 74 | " | O. E. Yaeger | Lumber. |
| 10 | Caledonia | Caledonia Marl Company | Fertilizer. |
| • 7 | Canastota | Hamilton Farnham | Coal. |
| •16 | " | Hamilton Farnham | Coal. |
| 11 | " | Lehigh Valley Pickling Co. | Pickles. 82 |
| •15 | Cayuga | Stanley R. Cummings | Coal. |
| •17 | " | Stanley R. Cummings | Coal. |
| •1 & 2 | Cayuta | G. F. Jones | Coal. |
| A | " | J. Max | Milk. |
| 5 | " | Wyalusing Hay Company | Hay. |
| • 1 | Cazenovia | Tillotson & Howson | Lumber and coal. |
| • 1 | " | Mogg & Davis | " " " |
| • 2 | " | Mogg & Davis | " " " |
| • 1 | Cedar Swamp | H. W. Longfellow | Coal and general produce. |
| • 2 | " " | H. W. Longfellow | " " " " |
| • 9 | Cheektowaga | William E. Ely | Coal. |
| 13 | " | Buffalo Fertilizer Co. | Fertilizers. |
| 14 | " | M. A. Warne & Son | Stone. |
| • 1 | Cortland | Jennings and Dunn | Ice and coal. |
| • 7 | " | Peckham & Morgan | Coal. |
| 20 | " | Dillon Brothers | Theatrical. 82 |
| 6 | Cuyler | M. F. Stewart Co. | Milk. |
| • 1 | Depew | Michael G. Seeger | Coal. |
| 10 | " | Geo. Lowery | Milk. |
| • 2 | Dixon | Moore and Hadlow | Coal and produce. |
| 8 | Elmira | T. M. McKnight | Contractor. |
| 10 | " | Armour & Co. | Meat. |
| • 2 | Elmira Heights | Latham and Burns | Coal. |
| 4 | East Homer | Henry and Young | Fertilizers. |
| 3 | " " | Otto Gruhn | Milk. |
| A | Fair Haven | R. F. Stevens Company | Milk. |
| 6 | " " | M. C. Turner | Contractor. |
| A | Freeville | F. R. Willey | Milk. |
| •30 | Geneva | Lehigh Valley Coal Co. | Coal. |
| 18 | " | Pillsbury-Washburn Fl.M.Co. | Flour. |

8277

## L. V. R. R. EXHIBIT NO. 2—(Continued).

| Lease No. | Location. | Tenant. | Kind of Business. |
|---|---|---|---|
| 26 | Geneva | T. Briggs & Co. | Beer. |
| 35 | " | R. L. Van Deveer | Ice |
| 37 | " | Liberty Oil Co. | Oil |
| 1 | Gorham | Amer. Agr. Chemical Co. | Fertilizer |
| 2 | " | Bowker Fertilizer Co. | Fertilizer |
| *** 2** | **Groton** | **The Allen-Hewitt Co.** | **Coal, lumber, lime and feed.** |
| A | " | Wolf Cohen | Milk. |
| 12 | " | C. H. Cummings | Produce. |
| 1 | Hector | William Wickham | Fruit Packer. |
| 4 | Hemlock | Robert Liptrott | Provisions. |
| 7 | " | M. J. Becker | Grain. |
| 8278 9 | " | Woodruff & Thurston | Bankers. |
| 13 | " | " " | " |
| 14 | " | Falls Bros. & Fletcher | Cement. |
| 15 | " | M. B. Burch | Coal, lumber and plaster. |
| 5 | Henrietta | J. M. Calkins | Produce. |
| 6 | Honeoye Falls | American Agri. Chemical Co. | Fertilizer. |
| ***14** | **Horseheads** | **Cassius M. Westlake** | **Coal.** |
| 13 | " | Geo. A. Miller | Feed and coal. |
| *** 3** | **Ira** | **Fay C. Adams** | **Coal.** |
| A | " | Samuel Levy | Milk. |
| 18 | Ithaca | Treman, King & Co. | Wholesale hardware. |
| 21 | " | J. C. Stowell Co. | Flour. |
| 23 | " | Cole & Mandeville | Fertilizers. |
| 24 | " | R. G. Robinson | Lumber. |
| 25 | " | Ithaca Gas Light Co. | Gas. |
| 8279 33 | " | Liberty Oil Co. | Oil. |
| 36 | " | N. Y. Telephone Co. | Telephones. |
| 37 | " | N. Y. State Dredging Co. | Dredging. |
| 38 | " | Springbrook Dairy Co. | Milk. |
| *** 1** | **Kendaia** | **Frank S. Williams** | **Coal, grain and agri. implements.** |
| 4 | Lehigh | Geo. R. Wells | Coal. |
| 3 | Lima | James Conway | Hay. |
| *** 1** | **Lodi** | **Abraham P. Covert** | **Cement, grain, plaster & produce.** |
| 6 | " | Gerald Spear | Hay and grain. |
| 14 | " | A. P. Covert | Coal, hay and grain. |
| *** 3** | **MacDougall** | **Irene Kohler** | **Hay and ice.** |
| 1 | Manchester | Frank Welcher | Produce and fruit. |
| A | Martville | J. Smith | Milk. |
| A | McLean | Harry A. Rusch | Milk. |
| 8280 6 | Mendon | John Quinn | Fertilizer and stone. |
| *** 2** | **Naples** | **Frank L. Clark** | **Coal.** |
| 7 | " | Kingsley & Schley | Produce and grapes. |
| 10 | " | F. B. Byington | Produce and grapes. |
| 13 | " | C. E. Cornish | Hay and feed. |
| 4 | Newfield | Springbrook Creamery Co. | Milk. |
| ***12** | **New Woodstock** | **G. M. Thompson** | **Coal.** |
| 10 | " " | C. A. Buckingham | Milk. |
| 1 | New York City | United Dressed Beef Co. | Wholesale meat dealers. |
| P | " " " | G. A. Zabriskie | Flour |
| Q | " " " | Bonner & Schilderwachter | Ice. |
| 4-6 | North Harford | Standard Dairy Company | Milk. |
| *** 3** | **North LeRoy** | **F. C. Olmstead & Son** | **Coal.** |
| 30 | North Fair Haven | Robert Moore & Company | Ice. |
| 31 | North Fair Haven | Garrett Coal & Ice Co. | Coal and ice. |
| 6 | Oaks Corners | W. E. Cooper | Farm produce. |

## L. V. R. R. EXHIBIT NO. 2—(Continued). 8281

| Lease No. | Location. | Tenant. | Kind of Business. |
|---|---|---|---|
| 2 | Owego | Owego Bridge Company | Bridges and structural iron. |
| 12 | " | National Casein Company | Casein. |
| 2 | Peruton | R. L. Teeter | Coal and feed. |
| 1 | Portland Point | Cayuga Lake Cement Company. | Cement. |
| A | Richford | Bordens Condensed Milk Co. | Milk. |
| *6 | **Rochester** | **Lehigh Valley Coal Company** | **Coal.** |
| 22 | " | Wm. Jackling | Flour, grain and feed. |
| 25 | " | Whitmore, Rauber & Vicinus | Contractors. |
| 26 | " | Wm. Jackling | Flour, grain and feed. |
| 28 | " | Estate of Thos. Oliver. | Cement. 8282 |
| 30 | " | A. Shumway & Uts | Cement. |
| 33 | " | W. T. Jackling | Flour, grain and feed. |
| 34 | " | F. L. Hughes & Co. | Iron. |
| *5 | **Rochester Jct.** | **F. E. Lord** | Coal and farm produce. |
| *10 | " | **F. E. Lord** | Coal and farm produce. |
| 4 | " | F. E. Lord | Coal and farm produce. |
| 3 | Rush | Wilson Canning Company | Canning. |
| 8 | Rushville | Am. Agricultural Chemical Co. | Fertilizers. |
| *30 | **Seneca Falls** | **John H. O'Brien** | **Coal, wood and cement.** |
| 4 | " " | D. R. Hayssen | Hay. |
| 4-A | " " | B. E. Rouse | Hay. |
| 29 | " " | E. R. Hayssen | Hay. |
| 1 | Sheds Corners | Earl Allard | Coal. |
| 7 | Smithboro | R. F. Stevens Co. | Milk. |
| A | Spencer | I. C. Jetter | Milk. |
| 5 | " | Springbrook Creamery Co. | Milk. 8283 |
| 1 | Stafford | Henry Phrole | Coal. |
| *11 | **Stanley** | **Roswell C. Rackham** | **Coal and general produce.** |
| *14 | " | **Charles W. Loet** | **Coal.** |
| *3 | **Taughannock Falls** | **Ovid Electric Company** | **Electricity.** |
| A | Tioga Center | Seilor Brothers | Milk. |
| 1 | " " | C. H. Bonham | Coal and wood. |
| A | Truxton | Samuel Levy | Milk. |
| 8 | " | Sheffield Farms, S.-D. Co. | Milk. |
| 9 | " | J. H. B. Gordon | Coal. |
| A | Trumansburg | Cooke Milk and Cream Company. | Milk. |
| 5 | Union Springs | N. Y. Telephone Company | Telephones. |
| 6 | " " | Shalibo & Hamilton | Stone crushers. |
| *6 | **Victor** | **L. J. Wilbur** | **Lumber and coal.** |
| 12 | " | Louis A. Rugg | Fertilizers. 8284 |
| 15 | " | L. G. Loomis & Son | Hay and grain. |
| 16 | " | L. J. Eckler | Cooperage. |
| 7 | " | L. G. Loomis & Son | Hay and grain. |
| *1 | **Vienna** | **Frank Brewster** | **Coal and wood.** |
| *3 | " | **Frank Brewster** | **Coal and wood.** |
| 2 | " | Albert Brown | Cheese. |
| 6 | Waterloo | T. Briggs & Co. | Beer. |
| 8 | " | G. W. Haxton & Son | Produce and farm implements. |
| 21 | Waverly | S. C. Smith | Cement. |
| 2 | Wadsworth | Millard & Lupton | Sand and gravel. |
| A | Weedsport | R. F. Stevens Co. | Milk. |
| 2 | " | Eliza Tyron | Ice. |
| 14 | " | Wilson R. Quereau | Tobacco. |
| 1 | West Candor | C. C. Demerest Co. | Milk. |
| A | West Danby | R. F. Stevens Co. | Milk. |

8285

## L. V. R. R. EXHIBIT NO. 2—(Continued).

| Lease No. | Location. | Tenant. | Kind of Business. |
|---|---|---|---|
| A | Wilseyville | Crystal Fountain Creamery Co. | Milk. |
| 4 | Yale (Varick) | J. F. McCauley | Milk. |

(*) The items starred are the leases enumerated on pages 52 to 55 of the petition in this case.

8286

8287

8288

# L. V. R. R. EXHIBIT NO. 3. 8289

## STATEMENT OF COMPARATIVE SQUARE FOOT RENTALS OF LAND

### NEW JERSEY

| Lease No. | Location | Tenant | Area | Annual Rental | Rate per Square ft. | |
|---|---|---|---|---|---|---|
| +9a | Elizabeth | D. L. Miller | 530 sq. ft. | $5.00 | $0.0094 | |
| 9 | " | " | 221 " | 1.00 | .0045 | |
| 7 | " | " | 11,326 " | 100.00 | .0088 | |
| 13 | " | " | 360 " | 5.00 | .014 | |
| +55* | Jersey City | L. Wertheim C. & C. Co. | 77,101 " | See Note. | See Note | |
| +K | " | W. A. Pinto Co. | 31,600 " | 200.00 | .0063 | |
| 50 | " | L. Wertheim C. & C. Co. | 61,855 " | See Note. | See Note | 8290 |
| 74 | " | Jos. Dixon C. Co. | 4,150 " | 10.00 | .0024 | |
| 73 | " | Henry Kohl Co. | 1,900 " | 10.00 | .0053 | |
| 32 | " | John F. Crosby | 1,032 " | 20.00 | .019 | |
| 11 | " | Manhattan Paper S. Co. | 4,700 " | 200.00 | .043 | |
| 24 | " | N. Drake | 1,950 " | 100.00 | .051 | |
| 81 | " | Gen. Baking Co. | 88 " | 5.00 | .057 | |
| 67 | " | Bishop & Babcock | 88 " | 10.00 | .114 | |
| H | " | N. E. Vanderhoff Co. | 96 " | 20.00 | .208 | |
| 85 | " | J. F. Boyle Co. | 41 " | 10.00 | .244 | |
| +4 | Jutland | G. N. Robinson | 1,909 " | 10.00 | .0052 | |
| 2 | " | Hunterdon Peach Ex. | 1,120 " | 5.00 | .0044 | |
| +9 | Landsdown | D. S. Fox | 192 " | 5.00 | .026 | |
| 11 | " | Geo. F. Avery | 9.29 acres | 10.00 | .000024 | |
| +1 | New Market | C. E. Kelly Co. | 3,480 sq. ft. | 10.00 | .00289 | |
| 5 | " | G. A. Schenck | 540 " | 15.00 | .028 | 8291 |
| +4 | Pattenburg | Wm. A. Bird | 3,813 " | 25.00 | .0066 | |
| 11 | " | H. B. Cooley | 20,760 " | 5.00 | .00024 | |

*Note:—Tenant erected improvements valued at over $35,000, which revert to Lessor at expiration of lease.

### NEW YORK

| Lease No. | Location | Tenant | Area | Annual Rental | Rate per Square ft. | |
|---|---|---|---|---|---|---|
| +8 | Batavia | A. L. Carpenter | 600 sq. ft. | $10.00 | $0.017 | |
| 10 | " | New York Tel. Co. | 6,900 " | 20.00 | .0029 | |
| 12 | " | A. L. Carpenter | 720 " | 15.00 | .02 | |
| +15 | Cayuga | Stanley R. Cummings | 875 " | 5.00 | .0057 | |
| +17 | " | " | 645 " | 5.00 | .0077 | 8292 |
| 14 | " | Independent Ice Co. | 5,110 " | 5.00 | .00098 | |
| 13a | " | John Gruner | 1,730 " | 10.00 | .0057 | |
| 8 | " | Shannon & Co. | 2,900 " | 25.00 | .0086 | |
| +2 | Cayuta | G. F. Jones | 1,434 " | 15.00 | .0104 | |
| 5 | " | Wyalusing Hay Co. | 2,200 " | 10.00 | .0012 | |
| +1 | Cazenovia | Mogg & Davis | 16,443 " | 84.00 | .0051 | |
| 3 | " | Ira T. Loveland | 34,600 " | 5.00 | .000144 | |
| 5 | " | I. Edelstein | 3,840 " | 5.00 | .0013 | |
| +3 | Cedar Swamp | H. W. Longfellow | 1,000 " | 5.00 | .005 | |
| +1 | " | " | 192 " | 5.00 | .026 | |
| +9 | Cheektowaga | William E. Ely | 5,000 " | 5.00 | .001 | |
| 14 | " | M. A. Warne & Son | 195,465 " | 5.00 | .000025 | |
| 6 | " | N. Y. C. & H. R. R. R. Co. | 19,850 " | 1.00 | .00005 | |
| 13 | " | Buffalo Fertilizer C. | 461,736 " | 100.00 | .00021 | |

8293

## L. V. R. R. EXHIBIT NO. 3—(Continued).

| Lease No. | Location | Tenant | Area | Annual Rental | Rate per Square ft. |
|---|---|---|---|---|---|
| ÷1 | Cortland | Jennings & Dunn | 28,800 sq. ft. | 288 00 | $ 0013 |
| ÷7 | " | Peckham & Morgan | 2,430 " | 5 00 | .00206 |
| 4 | " | Cortland Carriage G. Co. | 960 " | 5 00 | .0057 |
| 2 | " | A. S. Brown | 2,338 " | 20 00 | .00856 |
| 18 | " | Amer. Agri. Chem. Co. | 320 " | 5 00 | .0156 |
| 20 | " | Dillon Bros. | 480 " | 15 00 | .0305 |
| 8 | " | Champion Milk C. Co. | 130 " | 5 00 | .038 |
| ÷1 | Depew | M. G. Seeger | 2,700 " | 10 00 | .0037 |
| ÷3 | Groton | Allen Hewitt Co. | 26,136 " | 75 00 | .00287 |
| 5, 6, 7, | " | Groton Bridge Co. | 23,960 " | 15 00 | .00062 |
| 8294 13 | " | Groton Bridge Co. | 1,200 " | 5 00 | .00416 |
| 4 | " | S. C. Gooding | 1,073 " | 5 00 | .00466 |
| 12 | " | G. H. Cummings | 175 " | 1 00 | .0057 |
| ÷14 | Horseheads | Cashus M. Westlake | 2,800 " | 18 00 | .00636 |
| 1 | " | G. W. Rockwell | 576 " | 1 00 | .00173 |
| 13 | " | Geo. A. Miller | 4,112 " | 10 00 | .00243 |
| 6 | " | Horseheads Creamery Co. | 3,000 " | 10 00 | .00333 |
| ÷1 | Lodi | A. P. Covert | 2,128 " | 10 00 | .0047 |
| 5 | " | Lewis P. Brown | 60 " | 1 00 | .00166 |
| 6 | " | G. Spear | 600 " | 10 00 | .00166 |
| 14 | " | A. P. Covert | 4,000 " | 55 00 | .00375 |
| 8 | " | G. Spear | 1,200 " | 5 00 | .00416 |
| 3 | " | A. P. Covert | 1,200 " | 5 00 | .00416 |
| 7 | " | N. Drake | 1,800 " | 10 00 | .00555 |
| 9 | " | N. Drake | 1,200 " | 10 00 | .00833 |
| 8295 10 | " | A. P. Covert | 1,200 " | 10 00 | .00833 |
| ÷3 | Mac Dougall | Irene Kohler | 2,310 " | 25 00 | .0108 |
| 1 | " | Bakbridge & Co. | 1,000 " | 5 00 | .005 |
| 2 | " | Nye and Gleason | 1,730 " | 10 00 | .00577 |
| 5 | " | Allen & Fridley | 540 " | 15 00 | .0277 |
| ÷2 | Naples | Frank L. Clark | 616 " | 5 00 | .00811 |
| 5 | " | H. Wheaton | 1,760 " | 10 00 | .00567 |
| 15 | " | M. J. Mooney | 3,125 " | 25 00 | .008 |
| 7 | " | Kingsley & Schley | 1,000 " | 10 00 | .01 |
| 13 | " | C. E. Cornish | 600 " | 10 00 | .01 |
| 9 | " | Kingsley & Schley | 864 " | 15 00 | .0166 |
| 10 | " | F. P. Byington | 600 " | 15 00 | .0173 |
| ÷13 | New Woodstock | Geo. M. Thompson | 640 " | 10 00 | .025 |
| 2 | " | C. H. Boye | 14,317 " | 10 00 | .0156 |
| 10 | " | C. A. Buckingham | 2,314 " | 8 00 | .00069 |
| ÷10 | Rochester Jct. | F. E. Lord | 1,080 " | 18 00 | .00345 |
| 8296 5 | " | F. E. Lord | 360 " | 5 00 | .0139 |
| 4 | " | F. E. Lord | 6,000 " | 30 00 | .014 |
| 9 | " | David O'Connor | 192 " | 5 00 | .005 |
| ÷14 | Stanley | C. W. Leet | 960 " | 1 00 | .026 |
| ÷11 | " | R. C. Beckham | 3,700 " | 20 00 | .00118 |
| 3 | " | J. H. Flannagan | 2,400 " | 10 00 | .0054 |
| 15 | " | Seneca, Gorham, Tel. Co. | 900 " | 5 00 | .00417 |
| 13 | " | Stanley Fire Com. | 720 " | 10 00 | .00555 |
| ÷3 | Taughannock Falls | Ovid Electric Co. | 600 " | 5 00 | .014 |
| 1 | " | G. H. Fowler | 825 " | 1 00 | .008208 |
| ÷6 | Victor | E. W. Bartholomew Lum. Co. | 3,025 " | 18 00 | .00121 |
| 16 | " | L. J. Eckler | 13,335 " | 30 00 | .00413 |
| 15 | " | L. G. Loomis & Son | 5,600 " | 25 00 | .00225 |
| 12 | " | Lewis A. Rugg | 600 " | 10 00 | .0166 |

## L. V. R. R. EXHIBIT NO. 3—(Continued).

8297

| Lease No. | Location | Tenant | Area | Annual Rental | Rate per Square ft. |
|---|---|---|---|---|---|
| ×1 | Vienna | Frank Brewster | 90 sq. ft. | $1 00 | $0 0111 |
| ×3 | " | " " | 288 " | 5 00 | .0174 |
| 2 | " | Albert Brown | 107 " | 1 00 | .00933 |

### PENNSYLVANIA

| Lease No. | Location | Tenant | Area | Annual Rental | Rate per Square ft. |
|---|---|---|---|---|---|
| ×81 | Allentown | J. K. Butz & Co. | 4,600 sq. ft. | $100 00 | $0 023 |
| 56 | " | Harry C. Trexler | 98,700 " | 100 00 | .00101 |
| 25 | " | Allentown Copperas Co. | 15,202 " | 20 00 | .0013 |
| 79 | " | Reading Brewing Co. | 2,240 " | 5 00 | .0022 |
| 61 | " | Kline & Sarks | 8,276 " | 25 00 | .003 |
| 59 | " | W. D. Schantz | 44,700 " | 135 00 | .003 |
| 57 | " | Barber Asphalt Pav. Co. | 32,530 " | 100 00 | .00307 |
| 28 | " | L. H. Yeager & Co. | 1,630 " | 5 00 | .0031 |
| 99 | " | E. B. McCready | 320 " | 1 00 | .0031 |
| 95 | " | Perkheimer Steel & I. Co. | 88,862 " | 300 00 | .0034 |
| 26 | " | Allentown Boiler Co. | 41,382 " | 150 00 | .0036 |
| 72 | " | A. H. Balliet | 8,480 " | 35 00 | .0041 |
| 28½ | " | L. H. Yeager | 1,000 " | 5 00 | .005 |
| 88 | " | Perfection Oil Co. | 7,900 " | 50 00 | .0063 |
| 60 | " | Drake & Co. | 3,200 " | 25 00 | .0078 |
| 97 | " | Allentown Pack. Box Co. | 28,314 " | 225 00 | .0079 |
| 18 | " | B. M. Frey | 11,700 " | 100 00 | .0085 |
| 54 | " | M. S. Young & Co. | 4,600 " | 50 00 | .0108 |
| 80 | " | N. H. Kuder | 2,137 " | 25 00 | .0117 |
| 60 | " | Oscar S. Hock | 800 " | 10 00 | .0125 |
| 90 | " | Bell Tel. Co. | 7,500 " | 100 00 | .013 |
| 62 | " | Keystone Barrel Works | 7,315 " | 100 00 | .0136 |
| 9 | " | Fannie Hertzog | 1,600 " | 50 00 | .031 |
| 72 | " | Geo. H. Hardner | 580 " | 20 00 | .034 |
| 41 | " | G. H. Kleppinger | 1,000 " | 50 00 | .05 |
| 13 | " | Aborgast & Bastian | 2,140 " | 125 00 | .058 |
| 49 | " | John T. Lindstrom | 800 " | 50 00 | .0625 |
| 92 | " | Allen Coal Co. | 144 " | 10 00 | .07 |
| 71 | " | Laubach Bros. | 128 " | 10 00 | .08 |
| 9 | " | Swift & Co. | 740 " | 225 00 | .304 |
| ×87½ | Athens | F. B. Kintner | 10,296 " | 36 00 | .0019 |
| 17 | " | American Bridge Co. | 136,213 " | 1 00 | .0000073 |
| 41 | " | F. B. Kintner | 522,720 " | 25 00 | .0000478 |
| 57 | " | John Dalrymple | 3,630 " | 5 00 | .00137 |
| 49 | " | Athens Refining Co. | 21,800 " | 50 00 | .0023 |
| 61 | " | Horseheads Const. Co. | 1,250 " | 5 00 | .004 |
| 60 | " | Athens Wood Co. | 6,000 " | 25 00 | .00416 |
| 47 | " | Athens Furniture Co. | 1,000 " | 10 00 | .01 |
| 56 | " | W. H. Leighton | 3,120 " | 36 00 | .0115 |
| 19 | " | E. J. McAfee | 75 " | 1 00 | .013 |
| 8 | " | Athens Furniture Co. | 336 " | 5 00 | .0148 |
| ×2 | Dimock | A. L. Estus | 432 " | 5 00 | .0116 |
| 3 | " | John Struppler | 80 " | 5 00 | .0625 |
| 1 | " | W. J. Cronk | 480 " | 5 00 | .0104 |

8298

8299

8300

8301

## L. V. R. R. EXHIBIT NO. 3—(Continued).

| Lease No. | Location | Tenant | Area | Annual Rental | Rate per Square ft. |
|---|---|---|---|---|---|
| +13 | Fairview | J. G. Roberts & Co. | 800 sq. ft. | $10 00 | $ 01 |
| 7 | " | Steve Collick | 4,680 " | 6 00 | .00128 |
| 6 | " | John A. Loftus | 7,500 " | 12 00 | .0016 |
| +4 | Freemansburg | Horace Gross | 224 " | 5 00 | .0223 |
| +2 | Hometa Ferry | C. H. Forrest | 600 " | 10 00 | .0166 |
| 5 | " | Geo. Lurse | 24,500 " | 3 00 | .00012 |
| 3 | " | Hometa Ferry Milk & C. A. | 393 " | 1 00 | .0025 |
| +4 | Laceyville | A. L. Vanderbort | 1,610 " | 10 00 | .00621 |
| 12 | " | D. Ridgeway & Sons | 990 " | 5 00 | .00505 |
| +13 | Mauch Chunk | J. P. Bennyhoff | 3 acres | 75 00 | .00057 |
| 8302 6 | " | Chas. Neuet & Co. | 52,695 sq. ft. | 75 00 | .0014 |
| 14 | " | " | 5,066 " | 10 00 | .0019 |
| 10 | " | " | 1,375 " | 5 00 | .0036 |
| 15 | " | John Otto | 1,742 " | 10 00 | .0057 |
| 9 | " | Chas. Neuet & Co. | 120 " | 1 00 | .009 |
| 5 | " | Atlantic Refining Co. | 298 " | 60 00 | .14 |
| +14 | Meshoppen | B. J. Dougherty | 1,500 " | 15 00 | .01 |
| 17 | " | Dougherty & Winans | 750 " | 5 00 | .00666 |
| +97 | Sayre | D. Carey Coal Co. | 13,728 " | 30 00 | .00218 |
| +100 | " | Mary Ann Paul | 463 " | 5 00 | .0107 |
| 98 | " | Baker & Cary | 4,199 " | 5 00 | .0012 |
| 99 | " | I. S. Hart | 520 " | 1 00 | .0019 |
| 102 | " | Troma Oil Co. | 3,750 " | 10 00 | .00266 |
| +1 | Springville | Brown & Fassett | 1,470 " | 10 00 | .0068 |
| 3 | " | James A. Blakslee | 910 " | 1 00 | .0011 |
| 5 | " | A. L. Stephens | 500 " | 5 00 | .01 |
| 8303 +2 | Stockertown | Arthur Taylor | 1,330 " | 15 00 | .0122 |

+The items so marked are leases enumerated on pages 52 to 55 of the petition in this case.

8304

## L. V. R. R. EXHIBIT NO. 4. 8305

**Extracts from Pamphlet entitled "Production of Coal in 1912," prepared by Edward W. Parker, Statistician, United States Geological Survey, Department of the Interior. Printed by the Government Printing Office, Washington, D. C.**

(Page 3)

The decreased production of anthracite was due entirely to the suspension in April and May, when practically the entire region was idle. Except for that idleness, the output of anthracite would have amounted to about 85,000,000 long tons, or over 4,000,000 tons more than that of 1911, the year of maximum production. 8306

(Page 5)

In 1901 the anthracite operators adopted the policy of allowing discounts on coal sold during the spring and summer months, the idea being to encourage consumers to lay in their winter supplies at a time when transportation was not hampered by unfavorable weather and when otherwise a large number of men would be idle. The effect of this has been to give much steadier employment through the year and to prevent to a large extent congestion of orders and traffic in the fall and winter months. The fluctuations in the number of days worked from year to year in the anthracite region since the discount policy was put into effect have been due principally to suspensions pending adjustments of wage agreements. 8307

(Page 7)

*Washed coal.*—The production of anthracite in Pennsylvania includes an appreciable quantity of usable fuel recovered from the old culm banks by washeries, and the unsightly monuments to the wasteful methods of early times are disappearing from the landscape in the anthracite region. The quantity of coal recovered in the 23 years since the first washery was constructed (in 1890) has amounted to about 55,000,000 long tons, considerably more than the total production of anthracite 8308

8309 at the beginning of the period. In 1912 the washery product amounted to 4,165,288 long tons. In addition to the coal recovered from the culm banks, 85,722 long tons in 1912, and 94,647 long tons in 1911, were recovered from the bottom of Susquehanna River by dredges.

(Pages 16, 17)

Anthracite was at one time an important factor in blast-furnace practice, but its use in that line of industry has now almost entirely ceased, having been supplanted
8310 by coke made from bituminous coal. The principal demand for anthracite will be in the future, as it has been in more recent past, restricted largely to domestic trade, for which such sizes as furnace, egg, stove, and chestnut are required. The breaking down of the lump coal, which was formerly a marketable product, for the preparation of the domestic sizes, results in a much larger proportion of the small or undesirable sizes, all of which are sold at less than the cost of production. As shown in the subsequent
8311 pages of this report, the percentage of these small sizes has increased from 23.1 per cent in 1890 to 41.9 per cent in 1909, since which year, however, owing to a decline in the recovery from the culm banks, the percentage of the smaller sizes has slowly declined from 41.5 in 1910 to 40.8 in 1911, and 39.4 in 1912. All of the profits in the anthracite trade must be obtained from the prepared sizes as the revenue derived from the smaller sizes which are sold in competition with bituminous coal for steaming purposes serves only to reduce the cost of the do-
8312 mestic coal. In the recent reports of this series attention has been called to the gradually enhancing cost in the production of anthracite and to the close control which is exercised over its production and sale. In the report for 1911 it was stated that no hope could be held out to the consumer that anthracite would be sold in the future at prices lower than those then prevailing; but, on the other hand, there was every reason to believe that prices would advance in accordance with the increasing cost of production. In the section on anthracite it is shown that the margin between the cost and the selling

price of anthracite, prior to the advance in wages granted in 1912, was 13 cents per long ton. This margin must provide not only for extraordinary expenses, such as result from accident, etc., but also must provide for selling expenses, amortization, depreciation, interest on capital invested or borrowed, and the profits on the mining operations. 8313

(Pages 19, 20)

The mining of anthracite in Pennsylvania began in the last half of the eighteenth century and interesting legends and anecdotes are extant regarding the attempts to introduce the new fuel. Anthracite was discovered in the Wyoming Valley in 1762 by settlers from Connecticut. The first use of it, so far as known, was made in 1768. It was first used in a forge in 1769. Mining may be said to have begun near Pittston in 1775, and from 1776 to 1780 anthracite was mined on the banks of Susquehanna River near Wilkes-Barre and shipped by barges to Carlisle and Columbia. Anthracite was used in making nails in 1788. All of these incidents occurred in the Wyoming region, the discovery of coal in that region having antedated the discovery in the Schuylkill region by 28 years. Credit for the first shipments of coal from the anthracite region is usually given to the Lehigh region, but the discovery of coal in that region was not made until 1791, and the first anthracite coal company, the Lehigh Coal Mining Co. (now the Lehigh Coal & Navigation Co.) was organized in 1792. The shipments from the Lehigh region began in 1820 and have continued regularly since that date, but 13 years prior to 1820 a shipment of 55 tons of coal had been made by Abijah Smith & Co., from Plymouth (in the Wyoming Valley) to Columbia. In 1814, six years before the Lehigh region was opened, some coal was mined at Carbondale and shipped via the Lackawaxen & Delaware Canal to Philadelphia. In 1820, when the Lehigh region was opened, it was estimated that about 12,000 tons of coal had been shipped from the Wyoming Valley, although, according to the records of the bureau of anthracite statistics, the regular ship- 8314 8315 8316

8317 ments from the Wyoming region did not begin until 1829. Seven years before that the Schuylkill region had been opened. In addition to having the credit for the priority of discovery and the mining of anthracite, the Wyoming region, although the latest of the three large regions to report regular shipments of coal, has contributed considerably more than half of the total quantity of coal sent out of the anthracite fields of Pennsylvania. According to the reports of the bureau of anthracite statistics the total quantity of anthracite ship-
8318 ped, up to the close of 1912, was approximately 1,883,000,000 long tons, of which something over 996,000,000 tons had been sent out from the Wyoming region.

(Pages 166 to 188)

PENNSYLVANIA.

Total production in 1912, 246,227,086 short tons; spot value, $346,993,123.

*Anthracite.*—Total production in 1912, 75,322,855 long tons (equivalent to 84,361,598 short tons); spot value, $177,622,626.

8319 *Bituminous.*—Total production in 1912, 161,865,488 short tons; spot value, $169,370,497.

The anthracite fields of Pennsylvania lie in the east-central part of the State and constitute the only anthracite areas of any importance in the United States, though small quantities of that grade are mined from locally metamorphosed beds in Colorado and New Mexico and some anthracite is reported as occurring on the slopes of Mount Baker in the State of Washington. The areas in Pennsylvania are in four distinct fields or basins
8320 known as the Northern, the Eastern Middle, the Western Middle, and the Southern. They are also divided into three well-known trade regions, the Wyoming, the Lehigh, and the Schuylkill, which in turn are subdivided into 18 local districts (see table in the anthracite section of this chapter). A separate field lying west of the Northern basin and known as the Bernice field, in Sullivan County, yields a semianthracite product which on account of its high percentage of fixed carbon is classed as anthracite by the Second Pennsylvania Geo-

logical Survey, and this is included with the anthracite 8321
production. The anthracite fields proper comprise an area of 480 square miles in the counties of Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill, and Susquehanna. Mining operations are conducted on a large scale in the anthracite region, nearly 9 per cent of the production being from mines that have an annual output of over 200,000 tons. More than half of all the mines have an average production of over 400,000 long tons, and the average production of all the mines in the region is more than 250,000 long tons a 8322
year. Only about 1 per cent of the production is from mines producing less than 50,000 tons.

The first anthracite mined in the United States was in the Wyoming region in the last decade of the eighteenth century. In 1807 the first shipment of 55 tons was made to Columbia, and in 1814 22 tons were shipped from Carbondale to Philadelphia. The first shipment from the Lehigh region was in 1820, and systematic production may be said to have had its beginning in that year, when 365 tons (one ton for each day of the year) were 8323
sent out of the region. From this small beginning and from this small area in less than 100 years the total production has amounted to over 2,000,000,000 long tons. It is believed by many that in the present yearly production of from 75,000,000 to 80,000,000 long tons, the maximum tonnage is about attained.

The bituminous fields of Pennsylvania underlie the greater part of the western half of the State and comprise a total area of about 14,200 square miles. Coal is, or has been mined in about 30 different counties, but the principal mining activities are confined to 10 counties 8324
which contribute about 95 per cent of the total output of the State and about one-third the total production of the United States. The larger developments may be divided into three principal mining districts: (1) The Pittsburgh, embracing Allegheny and Washington counties, in which the Pittsburgh bed furnishes the most of the steam and gas coals for which the district is celebrated (it produced about 35,000,000 tons in 1912); (2) the Connellsville (including the Lower Connellsville, or

8325 Klondike), lying in Fayette and Westmoreland counties, in which district the Pittsburgh bed yields the renowned Connellsville coking coal, of which in the two counties alone, nearly 63,000,000 short tons, or approximately 15 per cent of the country's total, were produced in 1912; (3) the Cambria-Clearfield, including the areas in Cambria, Clearfield, Indiana, and Jefferson counties, where the production is chiefly from the lower Freeport "D" bed, which has a fine development in these counties, but which is worthless over most of the rest of the State.

8326 Geologically, the principal bituminous-producing formations are the Allegheny and the Monongahela, formerly known as the "Lower" and the "Upper Productive Coal Measures." The Allegheny has at least seven beds, all of which are workable at some point. They are the Brookville, Clarion, Lower, Middle, and Upper Kittanning, and Lower and Upper Freeport. The Lower Kittanning and the two Freeport beds are the principal producers. The Monongahela formation contains, in addition to the Pittsburgh, four other beds, the Redstone, Sewickley, Uniontown, and Waynesburg, all of which

8327 are workable locally. The Pittsburgh bed, on account of its nearly uniform thickness over enormous territory (several thousand square miles), its high grade, its adaptability to the production of coke and gas, and its use as a steam fuel, is the most famous coal bed in America and is probably unequaled in the world.

The combined production of anthracite and bituminous coal in Pennsylvania amounted in 1912 to 246,227,086 short tons, valued at $346,993,123, against 235,025,324 tons valued at $321,344,344, in 1911. The increase in

8328 quantity was 11,201,762 short tons, or 4.8 per cent, and the gain in value $25,648,779, or 8 per cent. In 1911 the larger percentage of increase in value was due to an increase in the production of anthracite and a decrease in the output of the lower-priced soft coal. In 1912 both anthracite and bituminous values were increased in larger ratio than the increase in tonnage. On acount of the suspension of operations on April 1 the production of anthracite in 1912 was less than in 1911 by 5,448,633 long tons in quantity, but the value showed an

increase of $2,670,211. The production of bituminous 8329
coal, on the other hand, increased 17,304,231 short tons in quantity and $23,215,545 in value. The average value per ton increased for both grades—anthracite from $2.17 to $2.36 per long ton and bituminous coal from $1.01 to $1.05 per short ton. The production of bituminous coal in Pennsylvania in 1912 exceeded that of anthracite by 77,503,890 short tons, or 93 per cent, but the value of the latter exceeded that of the former by $8,252,-129.

Pennsylvania's coal production, anthracite and bitumi- 8330
nous combined, exceeds that of any other country of the world except Great Britain and Germany, and is closely rivalling the latter. Pennsylvania's production of coal is more than four times that of Austria-Hungary, the fourth coal-producing country of the world; more than five times that of France; more than eight times that of Belgium; and is equal to nearly one-fifth of the total world's production. From 1829 to and including the first year of the present century Pennsylvania contributed over 50 per cent of the total coal production of the United States and still produces between 45 and 50 8331
per cent of the total, but the relative importance of Pennsylvania as a coal producer has steadily declined in recent years. Whereas in 1880 Pennsylvania produced 66 per cent of the total; in 1890 its percentage was 56; in 1900 it was 51; in 1910 it was 46.9; in 1911 it was 47.4; and in 1912 it was 46.1. The smaller percentage in the later years, as compared with the earlier, must not be taken as an indication of any decline in the coal-mining industry of Pennsylvania, for that industry has, particularly in the bituminous districts, kept pace with the 8332
manufacturing industries and has increased in considerably larger ratio than the population of the State and of the United States as a whole. The falling off in the relative importance of Pennsylvania has been due to the more rapid increase in the production of other States, notably of West Virginia, Illinois, Alabama, and the Rocky Mountain States.

8333 The following table shows the total production of the United States and of Pennsylvania since 1880, with the percentage of the total tonnage produced by Pennsylvania in each year:

Production of Pennsylvania coal compared with total production of the United States, 1880-1912, in short tons.

| Year. | Total United States. | Pennsylvania. | Percentage of Pennsylvania to total. | Year. | Total United States. | Pennsylvania. | Percentage of Pennsylvania to total. |
|---|---|---|---|---|---|---|---|
| 1880..... | 71,481,570 | 47,074,975 | 66 | 1897..... | 200,223,665 | 107,029,654 | 53 |
| 8334 1881..... | 85,881,030 | 54,320,018 | 63 | 1898..... | 219,976,267 | 118,547,777 | 54 |
| 1882..... | 103,285,789 | 57,254,507 | 55 | 1899..... | 253,741,192 | 134,568,180 | 53 |
| 1883..... | 115,212,125 | 62,488,190 | 54 | 1900..... | 269,684,027 | 137,210,241 | 51 |
| 1884..... | 119,735,051 | 62,404,488 | 52 | 1901..... | 293,299,816 | 149,777,613 | 51 |
| 1885..... | 110,957,522 | 62,137,271 | 56 | 1902..... | 301,560,439 | 139,947,962 | 46 |
| 1886..... | 112,743,403 | 62,857,210 | 56 | 1903..... | 357,356,416 | 177,724,246 | 49.7 |
| 1887..... | 129,975,557 | 70,372,857 | 54 | 1904..... | 351,816,398 | 171,094,996 | 49 |
| 1888..... | 148,650,402 | 77,719,624 | 52 | 1905..... | 392,722,635 | 196,073,487 | 49.9 |
| 1889..... | 141,229,514 | 81,719,059 | 58 | 1906..... | 414,157,278 | 200,575,617 | 48.4 |
| 1890..... | 157,770,963 | 88,770,814 | 56 | 1907..... | 480,363,424 | 235,747,489 | 49.1 |
| 1891..... | 168,566,668 | 93,453,921 | 55 | 1908..... | 415,842,698 | 200,448,281 | 48.2 |
| 1892..... | 179,329,071 | 99,167,080 | 55 | 1909..... | 460,814,616 | 219,037,150 | 47.5 |
| 1893..... | 182,352,774 | 98,038,267 | 54 | 1910..... | 501,596,378 | 235,006,762 | 46.9 |
| 1894..... | 170,741,526 | 91,833,584 | 54 | 1911..... | 496,371,126 | 235,025,324 | 47.4 |
| 1895..... | 193,117,530 | 108,216,565 | 56 | 1912..... | 534,466,580 | 246,227,086 | 46.1 |
| 1896..... | 191,986,357 | 103,903,534 | 54 | | | | |

8335 A somewhat unusual comparison is presented in the statistics covering the labor employed in the anthracite and the bituminous coal mines of Pennsylvania in 1912. Notwithstanding the decrease in the production of anthracite, more men were employed in the anthracite mines in 1912 than in 1911, whereas in the bituminous mines the production showed a material increase with fewer employees. The number of men employed in the anthracite mines in 1912 was 174,030, against 172,585 in 1911. The production decreased from 80,771,488 long tons in 1911 to 75,322,855 tons in 1912. The bituminous workers numbered 165,144 in 1912 and 168,199 in 1911,
8336 and the production increased from 144,561,257 tons in 1911 to 161,865,488 tons in 1912. The average number of working days in the anthracite region, however, decreased from 246 in 1911 to 231 in 1912, and in the bituminous mines the average working time increased from 233 days in 1911 to 252 days in 1912. The number of men employed and the average number of days worked both being considered, the total amount of working time in the anthracite and the bituminous regions of Pennsylvania did not materially vary. The working

time in the bituminous mines was about 3 per cent more 8337
than it was in the anthracite fields, and the production of bituminous coal in the State was nearly double that of anthracite. The average yearly production per man in the anthracite region in 1912 was 485 short tons, and in the bituminous fields, 980 tons. The total number of men employed in the coal mines of Pennsylvania in 1912 was 339,174, against 340,784 in 1911.

In previous reports of this series reference has been made to the rapid increase in the production of bituminous coal, compared with that of anthracite. The in- 8338
crease in the production of anthracite bears an approximate relation to the increase in population. This has been particularly marked during the last two decades, or since the use of anthracite for iron making and in other branches of manufacture has practically disappeared.

Its use is now confined principally to domestic consumption and to the heating of hotels, apartment houses, and large office buildings. The natural sequence is that its increase in production should be regulated by the increase in population. Bituminous production, on the 8339
other hand, has owed its gain to the rapid development of the United States as a manufacturing country, and the record of bituminous coal production may be taken as indicating the progress made in manufactures.

The following table shows the average production of Pennsylvania anthracite and of bituminous coal in the United States, by five-year periods, from 1876 to 1910, and for the two years, 1911 and 1912, with the percentage that each bears to the total. It will be observed from this table that the average annual production of 8340
anthracite during the last five years of this period (1906 to 1910) was 3.1 times the average yearly production from 1876 to 1880. The production of anthracite in 1911 was something more than double that of the average production from 1886 to 1890. The average annual bituminous tonnage in the five years from 1906 to 1910 was 10.2 times that of the first five years, and the production in 1912 was almost five times that of the average from 1886 to 1890. From 1876 to 1880 anthracite pro-

8341 duction represented 41.44 per cent of the total, and bituminous coal 58.56 per cent. From 1906 to 1910 the anthracite production averaged 17.85 per cent of the total, and bituminous coal 82.15 per cent. On account of the decreased production of bituminous coal in 1911 and the increase in the output of anthracite, the percentage to the total of the latter showed a slight gain to 18.2 per cent for that year, while the percentage of bituminous production declined to 81.8 per cent of the total. The smaller production of anthracite and the
8342 larger output of bituminous coal in 1912 reversed the conditions of the previous year, and the percentage of anthracite to the total production decreased to 15.8 and that of bituminous coal increased to 84.2.

Production of anthracite and bituminous coal since 1876, by averages of five-year periods, in short tons.

| Period. | Anthracite. | | Bituminous. | |
|---|---|---|---|---|
| | Quantity. | Percentage of total. | Quantity. | Percentage of total. |
| 1876–1880 | 25,800,169 | 41.44 | 36,460,776 | 58.56 |
| 1881–1885 | 36,198,188 | 33.74 | 71,092,930 | 66.26 |
| 1886–1890 | 43,951,763 | 31.76 | 94,446,451 | 68.24 |
| 8343 1891–1895 | 53,405,187 | 29.87 | 125,416,327 | 70.13 |
| 1896–1900 | 55,625,265 | 24.49 | 171,498,143 | 75.51 |
| 1901–1905 | 66,853,778 | 19.70 | 272,503,363 | 80.30 |
| 1906–1910 | 81,142,214 | 17.85 | 373,412,644 | 82.15 |
| 1911 | 90,464,067 | 18.2 | 405,907,059 | 81.8 |
| 1912 | 84,361,598 | 15.8 | 450,104,982 | 84.2 |

Anthracite mining began between 1790 and 1800, when a small quantity was produced for local consumption. The year 1820 is, however, usually considered to mark the beginning of the anthracite industry, as in that year 365 long tons were shipped from the anthra-
8344 cite region. To the close of 1912 the total production of anthracite had amounted to 2,102,821,728 long tons, or 2,355,160,335 short tons.

The first records of bituminous-coal production in Pennsylvania are for the year 1840, when 464,826 short tons were mined. The total output of bituminous coal from 1840 to the close of 1912 has amounted to 2,558,163,842 short tons, from which it appears that the total production of anthracite and of bituminous coal in Pennsylvania has been nearly equal. At the close of 1908 the total production of anthracite from the earliest times

to the close of that year had exceeded the total bitumi- 8345
nous production by approximately 51,000,000 tons. As, however, the production of bituminous coal in the last four years has exceeded that of anthracite by more than 254,500,000 short tons the total production of bituminous coal in Pennsylvania now exceeds that of anthracite by over 200,000,000 tons.

PENNSYLVANIA ANTHRACITE.

The production of anthracite in Pennsylvania in 1912 amounted to 75,322,855 long tons, valued at $177,622,626, 8346
a decrease in quantity, as compared with 1911, of 5,448,633 long tons, or 6.7 per cent. Notwithstanding the smaller production, the value exhibited an increase of $2,670,021, or 1.6 per cent. The smaller production in 1912 was due entirely to the suspension of mining operations on April 1, pending the settlement of certain demands by the miners for changes in the agreement under which work had been carried on during the three previous years. The suspension was practically complete during the entire month of April and most of May. 8347
The modified agreement was signed on May 20, and operations were resumed at once. The total production for the month was only about 1,500,000 tons, or approximately one-fourth the normal output. A part of the shortage created by the suspension was partly made up by increased activity in March, in anticipation of the shutdown, and also after operations were resumed, particularly in July, August, and October. In three of these months, namely March, August, and October "record" outputs were made, the railroad shipments for each of the three months exceeding 6,500,000 tons. The previous 8348
high record was in March, 1909, when the shipments amounted to 6,333,000 tons. Notwithstanding the loss of time due to the suspension the average working time was only 15 days less than that of 1911.

Since the settlement by the awards of the Anthracite Coal Strike Commission of the notable strike in the anthracite mines in 1902, comparative peace and prosperity have prevailed throughout the region. The original awards were to continue in force for a period of three

8349 years from April 1, 1903, to March 31, 1906. At the expiration of the initial period and after a suspension of work for 45 days, the awards were extended by agreement between the operators and their employees for a second period of three years, or until March 31, 1909; and when this term had expired the awards were again extended, with slight modifications, for a third period of the same length and terminating March 31, 1912. On April 1, 1912, mining operations were suspended until a new agreement was signed on May 20. This agree-
8350 ment provided for an extension of four years, or until March 31, 1916, and granted an advance of 10 per cent in wages and some other changes.

The report of the Anthracite Strike Commission is out of print, and as its findings and the voluntary agreements that followed it are still matters of interest they are reprinted here.

The awards of the Anthracite Commission in settling the strike of 1902 were 11 in number and were as follows:

I. That an increase of 10 per cent over and above the rates paid in the
8351 month of April, 1902, be paid to all contract miners for cutting coal, yardage, and other work for which standard rates or allowances existed at that time, from and after November 1, 1902, and during the life of this award; and also to the legal representatives of such contract miners as may have died since November 1, 1902. The amount of increase under the award due for work done between November 1, 1902, and April 1, 1903, to be paid on or before June 1, 1903.

II. That engineers who are employed in hoisting water shall have an increase of 10 per cent on their earnings between November 1, 1902, and April 1, 1903, to be paid on or before June 1, 1903; and a like allowance shall be paid to the legal representatives of such employees as may have died since November 1, 1902; and from and after April 1, 1903, and during the life of the award, they shall have 8-hour shifts, with the same pay which was effective in April, 1902; and where they are now working 8-hour shifts, the 8-hour shifts shall be continued, and
8352 these engineers shall have an increase of 10 per cent on the wages which were effective in the several positions in April, 1902.

Hoisting engineers and other engineers and pumpmen, other than those employed in hoisting water, who are employed in positions which are manned continuously, shall have an increase of 10 per cent on their earnings between November 1, 1902, and April 1, 1903, to be paid on or before June 1, 1903; and a like allowance shall be paid to the legal representative of such employees as may have died since November 1, 1902; and from and after April 1, 1903, and during the life of the award, they shall have an increase of 5 per cent on the rates of wages which were effective in the several positions in April, 1902; and in addition they shall be relieved from duty on Sundays, without loss of pay, by a man provided by the employer to relieve them during the hours of the day shift.

That firemen shall have an increase of 10 per cent on their earnings 8353
between November 1, 1902, and April 1, 1903, to be paid on or before June 1, 1903; and a like allowance shall be paid to the legal representatives of such employees as may have died since November 1, 1902; and from and after April 1, 1903, and during the life of the award, they shall have 8-hour shifts, with the same wages per day, week, or month as were paid in each position in April, 1902.

That all employees or company men, other than those for whom the commission makes special awards, be paid an increase of 10 per cent on their earnings between November 1, 1902, and April 1, 1903, to be paid on or before June 1, 1903; and a like allowance shall be paid to the legal representative of such employees as may have died since November 1, 1902; and that from and after April 1, 1903, and during the life of this award, they shall be paid on the basis of a 9-hour day, receiving therefor the same wages as were paid in April, 1902, for a 10-hour day. Overtime in excess of 9 hours in any day to be paid at a proportional rate per hour. 8354

III. That during the life of this award the present methods of payment for coal mined shall be adhered to unless changed by mutual agreement.

IV. That any difficulty or disagreement arising under this award, either as to its interpretation or application, or in any way growing out of the relations of the employers and employed, which can not be settled or adjusted by consultation between the superintendent or manager of the mine or mines, and the miner or miners directly interested, or is of a scope too large to be so settled or adjusted, shall be referred to a permanent joint committee, to be called a board of conciliation, to consist of six persons, appointed as hereinafter provided. That is to say, if there shall be a division of the whole region into three districts, in each of which there shall exist an organization representing a majority of the mine workers of such district, one of said board of conciliation shall be appointed by each of said organizations, and three other persons 8355
shall be appointed by the operators, the operators in each of said districts appointing one person.

The board of conciliation thus constituted shall take up and consider any question referred to it as aforesaid, hearing both parties to the controversy, and such evidence as may be laid before it by either party; and any award made by a majority of such board of conciliation shall be final and binding on all parties. If, however, the said board is unable to decide any question submitted, or point related thereto, that question or point shall be referred to an umpire, to be appointed, at the request of the said board, by one of the circuit judges of the third judicial circuit of the United States, whose decision shall be final and binding in the premises.

The membership of said board shall at all times be kept complete, either the operators' or miners' organization having the right, at any time when a controversy is not pending, to change their representation thereon. 8356

At all hearings before said board the parties may be represented by such person or persons as they may respectively select.

No suspension of work shall take place, by lockout or strike, pending the adjudication of any matter so taken up for adjustment.

V. That whenever requested by a majority of the contract miners of any colliery, check weighmen or check docking bosses, or both, shall be employed. The wages of said check weighmen and check docking bosses shall be fixed, collected, and paid by the miners in such manner as the said miners shall by a majority vote elect; and when requested by a majority of said miners, the operators shall pay the wages fixed for check weighmen and check docking bosses, out of deductions made proportionately from the earnings of said miners, on such basis as the majority of said miners shall determine.

8357 VI. That mine cars shall be distributed among miners, who are at work, as uniformly and as equitably as possible, and that there shall be no concerted effort on the part of the miners or mine workers of any colliery or collieries to limit the output of the mines or to detract from the quality of the work performed, unless such limitation of output be in conformity to an agreement between an operator or operators and an organization representing a majority of said miners in his or their employ.

VII. That in all cases where miners are paid by the car, the increase awarded to the contract miners is based upon the cars in use, the topping required, and the rates paid per car which were in force on April 1, 1902. Any increase in the size of car, or in the topping required, shall be accompanied by a proportionate increase in the rate paid per car.

VIII. That the following sliding scale of wages shall become effective April 1, 1903, and shall affect all miners and mine workers included in
8358 the awards of the commission:

The wages fixed in the awards shall be the basis of, and the minimum under, the sliding scale.

For each increase of 5 cents in the average price of white ash coal of sizes above pea coal, sold at or near New York, between Perth Amboy and Edgewater, and reported to the Bureau of Anthracite Coal Statistics, above $4.50 per ton f. o. b., the employees shall have an increase of 1 per cent in their compensation, which shall continue until a change in the average price of said coal works a reduction or an increase in said additional compensation hereunder; but the rate of compensation shall in no case be less than that fixed in the award. That is, when the price of said coal reaches $4.55 per ton, the compensation will be increased 1 per cent, to continue until the price falls below $4.55 per ton, when the 1 per cent increase will cease, or until the price reaches $4.60 per ton, when an additional 1 per cent will be added, and so on.

These average prices shall be computed monthly, by an accountant or
8359 commissioner, named by one of the circuit judges of the third judicial circuit of the United States and paid by the coal operators, such compensation as the appointing judge may fix, which compensation shall be distributed among the operators in proportion to the tonnage of each mine.

In order that the basis may be laid for the successful working of the sliding scale provided herein, it is also adjudged and awarded: That all coal-operating companies file at once with the United States Commissioner of Labor a certified statement of the rates of compensation paid in each occupation known in their companies, as they existed April 1, 1902.

IX. That no person shall be refused employment, or in any way discriminated against, on account of membership or nonmembership in any labor organization; and that there shall be no discrimination against, or interference with, any employee who is not a member of any labor
8360 organization by members of such organization.

X. That all contract miners be required to furnish within a reasonable time before each pay day, a statement of the amount of money due from them to their laborers, and such sums shall be deducted from the amount due the contract miner, and paid directly to each laborer by the company. All employees when paid shall be furnished with an itemized statement of account.

XI. That the awards herein made shall continue in force until March 31, 1906; and that any employee or group of employees, violating any of the provisions thereof shall be subject to reasonable discipline by the employer; and further, that the violation of any provision of these awards, either by employer or employees, shall not invalidate any of the provisions thereof.

On the termination of the period covered by these awards, on March 31, 1906, there was a suspension of operations during the month of April and a part of the month of May. On May 7, 1906, an agreement was signed between the operators and the miners providing that the "awards shall be extended and shall continue in force for three years from April 1, 1906, namely, until March 31, 1909, with like force and effect as if that had been originally prescribed as its duration," and provided that all men who had not committed violence to person or property should be re-employed after the suspension in their old positions. 8361 8362

The agreement for the second extension was signed on April 29, 1909, with the following additional covenants:

1. The rates which shall be paid for new work shall not be less than the rates paid under the strike commission's award for old work of a similar kind or character.
2. The arrangement and decisions of the conciliation board permitting the collection of dues on company property and the posting of notices thereon shall continue during the life of this agreement.
3. An employee discharged for being a member of a union shall have a right to appeal his case to the conciliation board for final adjustment.
4. Any dispute arising at a colliery under the terms of this agreement must first be taken up with the mine foreman and superintendent by the employee, or committee of employees directly interested, before it can be taken up with the conciliation board for final adjustment. 8363
5. The employers shall issue pay statements designating the name of the company, the name of the employee, the colliery where employed, the half month, the amount of wages, and the class of work performed.

The third extension which carried into effect the awards of the commission for a total period of 13 years (the original awards and the first two extensions were for three years and the third extension was for four years) was as follows:

(*a*) The contract rates and wage scales for all employees shall be increased 10 per cent over and above the contract rates and wage scales established by the Anthracite Coal Strike Commission as effective April 1, 1903. The provisions of the sliding scale are by mutual consent abolished. 8364

(*b*) All contract miners and laborers when working on consideration shall be paid not less than the rate paid company miners and laborers at the mine where the work is being performed.

(*c*) There shall be an equitable division of mine cars as set forth in the award of the Anthracite Coal Strike Commission and the decisions of the conciliation board; and further, the rates paid by any contract miner to his employees shall not be less than the standard rate for that particular class of work.

8365 (*d*) At each mine there shall be a grievance committee consisting of not more than three employees, and such committee shall under the terms of this agreement take up for adjustment with the proper officials of the company all grievances referred to them by employees who have first taken up said grievance with the foreman and failed to effect proper settlement of the same. It is also understood that the member of the board of conciliation elected by the mine workers' organization or his representative may meet with the mine committee and company officials in adjusting disputes. In the event of the mine committee failing to adjust with the company officials any grievance properly referred to them they may refer the grievance to the members of the board of conciliation in their district for adjustment, and in case of their failure to adjust the same they shall refer the grievance to the board of conciliation for final settlement, as provided in the award of the Anthracite Coal Strike Commission and the agreements subsequent thereto, and whatever settlement is made shall date from the time the
8366 grievance is raised.

(*e*) Contract miners shall have the right to employ check weighmen and check docking bosses, as provided by the award of the Anthracite Coal Strike Commission and the decisions of the board of conciliation, and when so employed their rights shall be recognized and they shall not be interfered with in the proper performance of their work; provided they do not interfere with the proper operation of the colliery. Check weighmen and check docking bosses shall be elected by contract miners in meeting assembled specifically for that purpose, and for such term as said miners may determine, and the chairman and secretary of said meeting shall certify such election to the mine foreman.

(*f*) For the purpose of facilitating the adjustment of grievances, company officials at each mine shall meet with the grievance committee of employees and prepare a statement setting forth the rates of compensation paid for each item of work April 1, 1902, together with the
8367 rates paid under the provisions of this agreement and certify the same to the board of conciliation within 60 days after the date of this agreement.

The principal change made from the commission's awards is the provision in the agreement of 1912 that a grievance committee of not more than three employees should be permitted at each colliery. This clause was inserted in compliance with the desire of the miners who contended that the conciliation board, which for nine years had acted as a tribunal for settling disputes,
8368 worked at long range, and it was believed by the miners that many controversies could be adjudicated more promptly through the grievance committees and fewer complaints would be brought before the conciliation board. It is yet too soon to form a conclusive opinion as to the effect of this modification of the awards, but during 1912, after work was resumed, operations were interrupted by numerous strikes, which fortunately were not of long duration and were not accompanied by acts of violence. Nor did they seriously affect the total

production. The shortage created by the suspension, 8369
estimated from the average monthly shipments during the 10 months of regular work, was about 10,500,000 long tons. The exceptionally mild weather of the winter of 1912-13 and favorable shipping conditions during the season when transportation is frequently interrupted by snow saved the consumers of anthracite coal from a famine in their fuel supply. The agreement of 1912 also provided for an advance of 10 per cent on all wages, over and above those established by the commission for three years from April 1, 1903, and continued 8370
by agreement for six more years, and for the abolition of the sliding scale. To meet this advance and to compensate for other increases in expenses the operators advanced their prices of prepared sizes 25 cents a ton. An advance of 25 cents on chestnut coal had been put into effect in 1911, this action having been taken in order to equalize the demand, which for this size had become in excess of the supply.

The circular prices for the several sizes of anthracite at the mines in 1910, 1911, and 1912, which are common to all the region, were as follows: 8371

Circular prices for anthracite at the mines, 1910-1912, per long ton.

| Size. | 1910 | 1911 | 1912 |
|---|---|---|---|
| Lump | $3.50 | $3.50 | $3.50 |
| Steamboat | 3.00 | 3.00 | 3.00 |
| Broken (furnace) | a3.50 | a3.50 | b3.50 |
| Egg | a3.75 | a3.75 | b3.75 |
| Stove | a3.75 | a3.75 | b4.00 |
| Chestnut | a3.75 | a4.00 | b4.15 |
| Pea | 2.00 | 2.00 | 2.50 |
| Buckwheat | 1.50 | 1.50 | 1.50 |
| Rice | ..... | c5.38 | c6.34 |
| Barley | ..... | c3.39 | c3.88 |

8372

a Subject to 50 cents reduction in April, 40 cents in May, 30 cents in June, 20 cents in July and 10 cents in August.

b Discounts omitted in April and May, but resumed in June.

c Average price received for all coal of these sizes sold by Philadelphia & Reading Coal & Iron Co.

Circular prices for anthracite at New York Harbor ports and at Port Richmond (Philadelphia) in 1911 and 1912 were as follows. In accordance with contracts extending over a period of about 15 years the operators received 65 per cent of the New York prices, and the carriers took 35 per cent.

8373 Circular prices for free-burning, white-ash anthracite f. o. b. New York Harbor ports and Port Richmond in 1911 and 1912, per long ton.

| Size. | New York Harbor. | | Port Richmond. | |
|---|---|---|---|---|
| | 1911 | 1912 | 1911 | 1912 |
| Broken a | $4.75 | $5.00 | $4.50 | $4.75 |
| Egg a | 5.00 | 5.25 | 4.75 | 5.00 |
| Stove a | 5.00 | 5.25 | 4.75 | 5.00 |
| Chestnut a | 5.25 | 5.50 | 5.00 | 5.25 |
| Pea b | 3.10 | 3.35 | ..... | ..... |
| No. 1, buckwheat | b2.20 | 2.45 | ..... | ..... |
| No. 2, buckwheat | c1.775 | c1.95 | ..... | ..... |
| No. 3, buckwheat | c1.463 | c1.548 | ..... | ..... |

a Philadelphia & Reading Coal & Iron Co. circular.
b Lehigh Coal & Navigation Co. quotations.
8374 c Average prices f. o. b.

Advances on coal for line and city trade, according to the Philadelphia and Reading Coal & Iron Co. circulars were made only on sizes between egg and buckwheat, as follows: Stove, 25 cents; chestnut, 15 cents; pea, 50 cents.

The average price at the mine for anthracite in 1912, as shown by the returns to the United States Geological Survey, was $2.36 a long ton as compared with $2.17 in 1911, $2.12 in 1910, $2.06 in 1909, and $2.13 in 1908.
8375 The previous highest average price for anthracite in recent years was in 1903, when it was $2.28 a long ton.

Of the total production of 75,322,855 long tons in 1912, 65,229,255 long tons or 86.6 per cent were loaded at the mines for shipment to distant points; 2,113,904 tons, or 2.8 per cent, were sold to local trade or used by employees, and 7,979,696 tons, or 10.06 per cent, were consumed in the generation of heat and power at the collieries. Prior to 1907, the quantity of coal consumed at the collieries was included in the production, but no
8376 value was placed upon it. In 1907 and 1908 an arbitrary value of 20 cents a ton was given this factor. Since and including 1909 the colliery consumption has been assumed to have the same value as similar coal placed upon the market. When it is apparent from the schedules returned to the Survey that the values reported include only the coal sold, the colliery consumption has been valued at 50 cents a ton. In the earlier days of anthracite mining the colliery consumption consisted of a portion of the product which otherwise would have gone to the culm banks. Nowadays there is a

market for almost any grade of anthracite that will burn. No more coal goes to the culm banks except for temporary storage and subsequent recovery by washeries. The old culm banks themselves are contributing their share to the total production, and these unsightly monuments to former waste are rapidly disappearing. Even the waste from the culm-bank washeries is being made to serve a useful purpose, as it is flushed into the mines and partly fills old workings, where it cements together and furnishes supports to the roof when the coal previously left for pillars is removed. This utilization of the waste prevents, too, the injury to farm lands in the valleys, a serious cause of complaint among the farmers when, as in earlier days, the waste from the washeries was spread over their lands in flood seasons. 8377 8378

The recovery from the culm banks and the output of small sizes from freshly mined coal constitute about 40 per cent of the total quantity of anthracite sent to the market. In 1912, out of total shipments amounting to 65,201,253 long tons, 25,690,541 long tons, or 39.4 per cent, consisted of pea and smaller sizes, while the prepared or domestic sizes, including a relatively small quantity of lump or steamboat, made up 60.6 per cent. Of the total of 25,690,541 long tons of small coal, the culm bank washeries contributed 3,155,150 tons, or 12.3 per cent. As noted in the preceding table, the circular prices per long ton at the mines on small sizes in 1911 were for pea, $2; for buckwheat No. 1, $1.50; for buckwheat No. 2, or rice (average price for year), 54 cents; and for buckwheat No. 3, or barley, 34 cents. In 1912 the prices for these grades were, respectively, $2.50, $1.50, 63.4 cents, and 39 cents. In compiling the statistics of production in 1912, the colliery consumption, when not valued by the companies, has been given an arbitrary value of 50 cents a ton, between the value of rice and of barley. It is of interest to note how these prices compare with the cost of production. In 1909, according to a bulletin issued by the Bureau of the Census, the total expenses involved in the mining of anthracite were $139,324,467, divided into salaries and wages, $96,900,963; supplies and materials $26,697,- 8379 8380

8381 966; royalties and rentals, $7,980,739; contract work (outside of contract miners), $1,701,514; taxes and sundries, $6,043,285. It will be observed that these expenses do not include any offsetting charges for depreciation or amortization, or for interest on capital invested or borrowed. They are for salaries and mine expenses only. In the same year the production of anthracite amounted to 72,384,249 long tons, so that the cost of mining per ton was $1.93. The average price in that year was $2.06 or 13 cents above actual cost. The min-
8382 ing rates were not changed until the advance of 10 per cent was granted in the agreement of May, 1912, and it may be assumed that the other factors were proportionate, so that until the advance of wages in 1912, the cost per ton of producing anthracite was the same as in 1909, except that as the workings become deeper the expenses are gradually augmented. The circular price on pea coal, which constitutes about 28 per cent of the small sizes, was 6 cents over mining cost in 1911; on buckwheat No. 1, which makes up 34 per cent of the total, it was 44 cents below cost; on buckwheat No. 2 (22 per
8383 cent of the total) it was $1.40 below cost; and on buckwheat No 3 (14 per cent of the total) it was $1.55 below cost.

If the advance of 10 per cent in wages in 1912 were not accompanied by any other increase in expenses, the cost of mining, exclusive of depreciation, amortization, and interest, would be increased to $2.07 a long ton; the circular price for pea coal was 43 cents above cost and the three smaller sizes were, respectively, 57 cents, $1.445, and $1.68 below cost. The average value per
8384 ton for all sizes of anthracite in 1912 was $2.36, or 29 cents above mining cost after the wage agreement went into effect The average value per ton in 1911 was 24 cents above mining cost.

The usual spring reductions were not put into effect on April 1, 1912, owing to the suspension of mining and the apprehended scarcity of fuel. In June, however, when operations were fully resumed, the reduction of 30 cents for that month was made, followed by the 20-cent discount in July and the 10-cent discount in August, circular prices being restored in September.

The policy of allowing these spring discounts was 8385
adopted in 1901, and has been generally kept in force since that year. The inducement was offered for the purpose of encouraging consumers to lay in their winter supplies during the summer season, when operations and transportation were not liable to interruption by vicissitudes of the weather. It has resulted in steadier employment to the mine workers, as the collieries are now operated practically as actively in summer as in winter, as shown by the shipments in the normal year of 1911. The average shipments for the 8386
6 months from April to September in that year were 5,736,070 tons; those for the first 3 months and last 3 months of the year averaged 5,924,980 tons. The prosperous condition of the anthracite region during the last 10 years has been due in large part to this cause. The effect upon the working time is exhibited by the fact that in the 10 years preceding 1903, or rather from 1892 to 1901, inclusive (1902, the year of the great strike, being abnormally short in working time), the average number of days worked in the anthracite region ranged 8387
from 150 to 198, with a mean average for the 10 years of 179 days; in the 9 years from 1903 to 1912 the average number of working days ranged from 195 (in 1906) to 246 (in 1911), with a mean average for the entire period of 216 days. The average working time in the later period shows an increase of 20.7 per cent over that of the earlier. The advance in wages given by the award of the Anthracite Commission added 10 per cent to the compensation of the mine workers and approximately 5 per cent more was earned through the operation of the sliding scale until it was abolished by the new 8388
agreement in 1912, when another flat advance of 10 per cent was granted. It may be readily seen from the foregoing statement that the average yearly earnings in the 9 years from 1903 to 1912 were about 35 per cent more than in the 10 years before the strike and before the policy of allowing the spring and summer discounts was put into force.

In spite of the seven weeks' suspension in April and May the average working time made in 1912 compares

8389 favorably even with the unusually high record in 1911 (246 days) and with the mean average for the nine years of which 1912 forms a part. As shown above, the mean average from 1903 to 1912 was 216 days. In 1912 the average working time was 231 days, the unwonted activity before and subsequent to the shutdown having made up in large part the time lost. The influence of the suspension is exhibited in the average tonnage won per man employed. In 1912 the average number of employees in the anthracite region, according to the re-
8390 turns to the Survey, was 174,030. The average output per man for the year was 434 long tons, and for each working day the average production per man was 1.88 tons. These figures compare with 445 tons and 1.94 tons, respectively, in 1910 and with 468 tons and 1.9 tons in 1911. The smaller ratios in the personal equation for 1912 were due to the efficiency lost in getting the collieries into working shape when work was resumed. Under such conditions, even though a full complement of men may be employed, tonnage records are not attained until the mines have been running for two or
8391 three weeks. In 1912 the agreement was signed on May 20, and work was resumed as quickly as possible, but the production for the month was less than one-fourth the normal output.

Reports to the Bureau of Mines show that there were 584 fatal accidents in the anthracite mines in 1912, against 710 in 1911 and 601 in 1910. The death rate per 1,000 employees was 3.4, and the number of tons mined for each casualty was 128,977. In 1911 the death rate per 1,000 employees was 4.1 and the quantity of coal
8392 mined for each life lost was 113,762 tons. In comparing the accident statistics of 1912 with 1911, the greater number of days worked in 1912 should be considered. In 1912, of the 584 fatalities 476 were under ground, 14 in shafts, and 94 on the surface. Falls of roof were responsible for 165 deaths, and falls of coal other than roof coal killed 72, the total deaths from falls of all kinds being 237, or almost exactly one-half of the underground fatalities. No deaths were due to explosions of gas in 1912.

The statistics of anthracite production during the last six years are presented in the following table: 8393

Statistics of Anthracite Production, 1907-1912.

| Year. | Quantity (long tons) | Value. | Average price per ton. | Average number of men employed. | Average number of days worked. |
|---|---|---|---|---|---|
| 1907 | 76,432,421 | $163,584,056 | $2.14 | 167,224 | 220 |
| 1908 | 74,347,102 | 158,178,849 | 2.13 | 174,174 | 200 |
| 1909 | 72,384,249 | 149,181,587 | 2.06 | a 171,195<br>b 166,801 | 205 |
| 1910 | 75,433,246 | 160,275,302 | 2.12 | 169,497 | 229 |
| 1911 | 80,771,488 | 174,952,415 | 2.17 | 172,585 | 246 |
| 1912 | 75,322,855 | 177,622,626 | 2.36 | 174,030 | 231 |

8394

a State mining department figures. b. U. S. census figures.

The production, by counties, in 1911 and 1912, with the distribution of the product for consumption, is shown in the following table:

Anthracite production in 1911 and 1912, by counties in long tons.

1911

| County. | Shipped. | Sold to local trade and employees. | Used at mines for steam and heat. | Total. |
|---|---|---|---|---|
| Carbon | 2,512,675 | 87,986 | 346,113 | 2,946,774 |
| Columbia | 918,828 | 11,165 | 135,843 | 1,065,836 |
| Dauphin | 651,664 | 51,525 | 142,316 | 845,505 |
| Lackawanna | 18,911,259 | 618,619 | 1,699,265 | 21,229,143 |
| Luzerne | 26,393,558 | 772,728 | 3,076,588 | 30,242,874 |
| Northumberland | 5,467,363 | 110,699 | 649,657 | 6,227,719 |
| Schuylkill | 14,427,485 | 304,026 | 2,138,081 | 16,869,592 |
| Sullivan | 590,396 | 7,203 | 42,963 | 640,562 |
| Susquehanna | 550,969 | 9,809 | 48,058 | 608,836 |
| River Dredges | 17,400 | 76,643 | 604 | 94,647 |
| Total | 70,441,597 | 2,050,403 | 8,279,488 | 80,771,488 |

8395

1912

| | | | | |
|---|---|---|---|---|
| Carbon | 2,163,896 | 118,852 | 285,557 | 2,568,305 |
| Columbia | 936,704 | 15,684 | 127,478 | 1,079,866 |
| Dauphin | 625,570 | 21,594 | 196,677 | 843,841 |
| Lackawanna | 16,901,030 | 644,797 | 1,737,987 | 19,283,814 |
| Luzerne | 24,645,483 | 822,840 | 2,821,556 | 28,289,879 |
| Northumberland | 5,238,591 | 116,320 | 665,529 | 6,020,440 |
| Schuylkill | 13,676,628 | 299,802 | 2,062,077 | 16,038,507 |
| Sullivan | 534,004 | 7,597 | 38,072 | 579,673 |
| Susquehanna and Wayne | 479,347 | 9,594 | 43,867 | 532,808 |
| River dredges | 28,002 | 56,824 | 896 | 85,722 |
| Total | 65,229,255 | 2,113,904 | 7,979,696 | 75,322,855 |

8396

8397 The following table shows the shipments, by months, during the last five years, as reported by the State bureau of anthracite statistics. The table does not include the shipments from Sullivan County nor the shipments of coal recovered from Susquehanna River:

Monthly shipments of anthracite, 1908-1912, in long tons.

| Month | 1908 | 1909 | 1910 | 1911 | 1912 |
|---|---|---|---|---|---|
| January | 5,618,339 | 5,183,345 | 5,396,518 | 5,904,117 | 5,763,398 |
| February | 4,803,736 | 4,570,602 | 5,031,796 | 5,070,961 | 5,875,980 |
| March | 5,700,158 | 5,332,474 | 5,174,100 | 5,906,890 | 6,509,087 |
| April | 5,387,221 | 5,091,176 | 5,224,390 | 5,804,915 | 290,625 |
| 8398 May | 6,089,190 | 5,063,872 | 5,679,051 | 6,217,355 | 1,479,257 |
| June | 5,708,855 | 4,994,530 | 5,399,123 | 6,215,357 | 5,191,646 |
| July | 6,541,300 | 6,020,765 | 6,202,036 | 6,606,065 | 6,205,150 |
| August | 4,599,093 | 4,198,273 | 4,996,044 | 5,531,790 | 6,576,501 |
| September | 5,211,047 | 4,158,120 | 4,967,510 | 5,730,925 | 5,878,496 |
| October | 5,977,607 | 5,579,750 | 5,622,695 | 6,269,170 | 6,665,321 |
| November | 5,939,691 | 5,627,800 | 6,071,746 | 6,180,316 | 6,165,336 |
| December | 5,827,936 | 5,775,436 | 6,231,576 | 6,115,427 | 5,964,102 |
| Total | 64,865,014 | 61,909,985 | 64,905,786 | 69,954,299 | 63,610,379 |

The statistics for the last three or four years indicate that the disproportionate increase in the consumption of the smaller and unprofitable sizes has about terminated, and the probability is that the present ratio
8399 of the domestic or prepared sizes and the small or steam sizes will remain fairly steady. From 1890 to 1907 there was a marked increase in the output of steam sizes compared with the production of the prepared or domestic sizes, as shown by the fact that in the earlier years the shipments of anthracite represented by the sizes above pea coal were 76.9 per cent of the total and that 23.1 per cent was made up of pea coal and smaller. In 1907 the percentage of the sizes above pea coal had fallen to 58.6 and that of pea coal and smaller had increased to 41.4 per cent. The smallest percentage in the
8400 shipments of domestic sizes was in 1909, when these constituted 58.1 per cent of the total, while the steam sizes represented 41.9 per cent. Since 1909 the proportion of the shipments made up from pea coal and smaller has grown steadily less. Inclusive of washery output the percentages of steam sizes in 1910, 1911, and 1912 were respectively 41.5, 40.8, and 39.4, the proportions of domestic sizes increasing correspondingly. Exclusive of washery coal the percentages of shipments of small sizes during the last three years were 38.5 in 1910, 38 in 1911,

and 36.5 in 1912. Owing to the suspension in the spring of 1912, the washery shipments showed a relative gain, though the quantity shipped was a little less than in 1911. 8401

A considerable portion of this increase in the consumption of small sizes has been due to the operation of the washeries in recovering the usable fuel from the old culm banks in the anthracite region. The first washery was installed in 1890, and 41,600 long tons of coal thus recovered were shipped in that year. In 1907 this recovery had increased to 4,301,082 tons. About the time that washeries were introduced to recover this small coal from the culm banks they were also installed at the breakers, with the result that the small sizes, instead of being thrown upon the culm banks, were added to the daily production. In the following table the shipments (not production) of anthracite are given for 1890, 1900, 1910, 1911, and 1912, exclusive of the washery product obtained from the old culm banks: 8402

Shipments of anthracite, excluding washery product, by sizes, 1890, 1900, 1910, 1911, and 1912, in long tons. 8403

| Year. | Sizes above pea. | | Pea and smaller. | | Total shipments. |
|---|---|---|---|---|---|
| | Quantity. | Percentage. | Quantity. | Percentage. | |
| 1890 | 28,154,678 | 76.98 | 8,419,181 | 23.02 | 36,573,859 |
| 1900 | 29,162,459 | 69.4 | 12,885,676 | 30.6 | 42,048,135 |
| 1910 | 38,387,111 | 61.5 | 24,029,332 | 38.5 | 62,416,443 |
| 1911 | 41,807,415 | 62.0 | 25,385,104 | 38.0 | 67,252,519 |
| 1912 | 39,439,732 | 63.6 | 22,607,371 | 36.4 | 62,046,103 |

The figures showing the washery product are not absolutely exact, for the reason that a few washeries are operated at the mines, the small sizes of the freshly mined coal being washed to remove the slate, and no separate report of the coal so washed is made by the mining companies. "Washery coal" as here reported is for the most part that which is recovered from the old culm banks. 8404

8405 To illustrate the change in the proportion of domestic and steam sizes since 1890, the following table is appended:

Shipments of anthracite, according to sizes, 1890-1912, in long tons.

| Year. | Sizes above pea. | | Pea-and-smaller. | | Total shipments. |
|---|---|---|---|---|---|
| | Quantity. | Percentage. | Quantity. | Percentage. | |
| 1890 | 28,154,678 | 76 9 | 8,460,781 | 23 1 | 36,615,459 |
| 8406 1891 | 30,696,569 | 73 7 | 9,843,770 | 26 3 | 40,540,338 |
| 1892 | 31,868,278 | 76 0 | 10,025,042 | 24 0 | 41,893,320 |
| 1893 | 32,294,233 | 74 9 | 10,795,304 | 25 1 | 43,089,537 |
| 1894 | 30,482,203 | 73 7 | 10,909,997 | 26 3 | 41,391,200 |
| 1895 | 32,469,367 | 69 9 | 14,042,110 | 30 1 | 46,511,477 |
| 1896 | 30,354,797 | 70 3 | 12,822,688 | 29 7 | 43,177,485 |
| 1897 | 28,510,370 | 68 5 | 13,127,494 | 31 5 | 41,637,864 |
| 1898 | 28,199,532 | 67 3 | 13,701,219 | 32 7 | 41,899,751 |
| 1899 | 31,506,706 | 66 1 | 16,158,504 | 33 9 | 47,665,206 |
| 1900 | 29,162,459 | 64 7 | 15,945,025 | 35 3 | 45,107,484 |
| 1901 | 34,412,974 | 64 2 | 19,155,627 | 35 8 | 53,568,601 |
| 1902 | 19,025,632 | 61 0 | 12,175,256 | 39 0 | 31,200,889 |
| 1903 | 37,736,510 | 63 6 | 21,624,321 | 36 4 | 59,362,831 |
| 1904 | 35,836,661 | 62 0 | 21,855,861 | 38 0 | 57,692,522 |
| 1905 | 37,425,217 | 60 9 | 23,984,994 | 39 1 | 61,410,211 |
| 1906 | 32,894,126 | 59 1 | 22,804,471 | 40 9 | 55,698,597 |
| 1907 | 39,342,855 | 58 6 | 27,776,536 | 41 4 | 67,119,393 |
| 1908 | 38,319,325 | 59 3 | 26,345,689 | 40 7 | 64,665,014 |
| 8407 1909 | 36,437,702 | 58 1 | a26,250,597 | 41 9 | a62,688,299 |
| 1910 | 38,415,323 | 58 5 | a27,297,438 | 41 5 | a65,712,761 |
| 1911 | 41,728,071 | 59 2 | a28,696,196 | 40 8 | a70,424,167 |
| 1912 | 39,536,383 | 60 6 | a25,662,870 | 39 4 | a65,201,253 |

a Exclusive of coal recovered by river dredges.

It should be noted in connection with the division of sizes that pea coal; which was for years a steam coal, is now used extensively for domestic purposes, and though it is impossible to tell what proportion is so used, the fact that it is no longer an exclusively steam size must be taken into consideration in drawing deduc-
8408 tions from the figures presented.

To present statistically the comments made on size division, washery production, etc., the following table, showing washery production since 1890, is given: 8409

Shipments of anthracite from washeries and total shipments, 1890-1912, in long tons.

| Year. | Shipments from washeries. | Total shipments. | Percentage of washery output to total shipments. |
|---|---|---|---|
| 1890 | 41,690 | 35,615,659 | 0.11 |
| 1891 | 85,702 | 40,468,336 | .21 |
| 1892 | 90,695 | 41,893,320 | .22 |
| 1893 | 245,175 | 43,089,527 | .57 |
| 1894 | 634,116 | 41,391,260 | 1.53 8410 |
| 1895 | 1,090,600 | 46,511,477 | 2.33 |
| 1896 | 895,042 | 43,177,465 | 2.07 |
| 1897 | 993,603 | 41,637,864 | 2.39 |
| 1898 | 1,095,119 | 41,899,751 | 2.62 |
| 1899 | 1,358,275 | 47,665,204 | 2.87 |
| 1900 | 2,039,349 | 45,107,486 | 4.57 |
| 1901 | 2,567,335 | 53,566,691 | 4.79 |
| 1902 | 1,959,466 | 31,200,890 | 6.28 |
| 1903 | 3,563,269 | 59,262,831 | 6.00 |
| 1904 | 2,800,466 | 57,492,522 | 4.87 |
| 1905 | 2,664,065 | 61,430,201 | 4.31 |
| 1906 | 1,846,501 | 55,698,595 | 6.91 |
| 1907 | 4,301,082 | 67,109,393 | 6.41 |
| 1908 | 3,646,230 | 64,665,014 | 5.64 |
| 1909 | 3,694,470 | 62,688,359 | 5.26 |
| 1910 | 3,295,318 | 65,712,761 | 5.02 |
| 1911 | 3,171,678 | 70,426,197 | 4.50 8411 |
| 1912 | 3,155,190 | 65,201,253 | 4.84 |

The following table shows the quantities of the different sizes of freshly mined coal and of washery coal shipped in 1911 and 1912:

Shipments, by sizes, from mines and washeries in 1911 and 1912, in long tons.

| Size. | 1911 | | 1912 | | |
|---|---|---|---|---|---|
| | From mines. | From washeries. | From mines. | From washeries. | 8412 |
| Lump and steamboat | 530,999 | | 418,601 | | |
| Broken | 3,632,090 | | 3,754,567 | | |
| Egg | 9,464,265 | | 8,932,305 | 2,710 | |
| Stove | 13,062,956 | 26 | 11,825,975 | 3,426 | |
| Chestnut | 15,977,105 | 60,630 | 14,507,286 | 93,667 | |
| Pea | 6,094,608 | 107,641 | 6,099,919 | 208,272 | |
| Buckwheat: | | | | | |
| No. 1 | 9,213,572 | 623,386 | 8,115,124 | 582,480 | |
| No. 2 and rice | 5,098,859 | 1,142,284 | 3,903,276 | 772,426 | |
| No. 3 and barley | 2,868,930 | 1,055,537 | 2,234,598 | 1,483,916 | |
| Screenings | 311,544 | 102,294 | 254,454 | 10,227 | |
| Total | 67,252,519 | 3,171,678 | 62,046,305 | 3,155,130 | |

8413 As shown in the preceding table, the stove and chestnut sizes are in the greatest demand and make up over 40 per cent of the total shipments. They are essentially domestic sizes, and the relatively large proportion they make of the shipments serves as an index to the conditions governing the anthracite trade. Egg coal finds its way principally to the furnaces of residences, and pea coal is used in the same way to some extent, though it is also used for kitchen ranges and some of it goes with the buckwheat, etc., for use as steam coal. The
8414 small sizes come directly into competition with bituminous and sometimes are used mixed with bituminous coal for steam purposes, chiefly in hotels, apartment houses, and office buildings. If egg and chestnut are considered as domestic coals, the shipments of domestic sizes in 1912 aggregated 35,364,481 tons of the 62,045,940 tons of mine coal shipped during the year.

The standard screens used in the preparation of anthracite have the following dimensions:

Standard sizes of anthracite.

8415

| Size. | Through— | Over— |
|---|---|---|
| Broken or grate | 4-inch square | 2¾-inch square. |
| Egg | 2¾-inch square | 2-inch square. |
| Stove | 2-inch square | 1⅝-inch square. |
| Chestnut | 1⅝-inch square | ⅞-inch square. |
| Pea | ⅞-inch square | ⅝-inch square. |
| Buckwheat No. 1 | ⅝-inch square | ⅜-inch square. |
| Buckwheat No. 2 or rice | ⅜-inch square | ⅝-inch square. |
| Buckwheat No. 3 or barley | ⅝-inch square | 11/64-inch round. |

8416

In the following table are presented statements showing the quantity of each size shipped from each county in 1911 and 1912, with the percentage that each size bears to the total shipments: 8417

Quantity of each size of anthracite shipped from each county in 1911 and 1912, in long tons, and percentage of total.

1911.

| County. | Lump and steamboat. | Broken. | Egg. | Stove. |
|---|---|---|---|---|
| Carbon | 20,158 | 173,761 | 283,119 | 368,218 |
| Columbia | 16,395 | 6,488 | 105,783 | 141,185 |
| Dauphin | ..... | 24,562 | 47,729 | 108,862 |
| Lackawanna | 21,266 | 569,848 | 2,132,722 | 3,700,818 |
| Luzerne | 189,113 | 1,684,729 | 3,636,823 | 5,260,157 |
| Northumberland | 18,962 | 199,949 | 496,441 | 1,054,065 |
| Schuylkill | 265,105 | 922,331 | 1,651,102 | 2,255,032 |
| Sullivan | ..... | 12,919 | 54,907 | 74,780 |
| Susquehanna | ..... | 37,503 | 55,639 | 99,865 |
| Total | 530,999 | 3,632,090 | 8,464,265 | 13,062,982 |
| Percentage of total | 0.75 | 5.16 | 12.02 | 18.55 |

8418

| County. | Chestnut. | Pea. | Buckwheat No. 1. | Buckwheat No. 2 and rice. |
|---|---|---|---|---|
| Carbon | 549,793 | 338,719 | 372,147 | 278,778 |
| Columbia | 209,097 | 121,523 | 172,920 | 132,193 |
| Dauphin | 93,816 | 55,040 | 139,580 | 141,590 |
| Lackawanna | 4,345,345 | 2,225,293 | 2,371,171 | 1,799,528 |
| Luzerne | 6,618,953 | 2,772,594 | 3,117,826 | 1,688,735 |
| Northumberland | 1,208,915 | 687,719 | 1,025,962 | 641,347 |
| Schuylkill | 2,775,099 | 1,926,524 | 2,556,601 | 1,536,952 |
| Sullivan | 109,371 | 75,195 | ..... | ..... |
| Susquehanna | 127,346 | 79,442 | 80,431 | 20,002 |
| Total | 16,037,735 | 8,282,049 | 9,836,638 | 6,239,134 |
| Percentage of total | 22.77 | 11.76 | 13.97 | 8.86 |

8419

| County. | Buckwheat No. 3 and barley. | Screenings. | Total. |
|---|---|---|---|
| Carbon | 126,828 | 1,154 | 2,512,675 |
| Columbia | 13,244 | ..... | 918,828 |
| Dauphin | 38,913 | 1,563 | 651,664 |
| Lackawanna | 1,729,354 | 15,914 | 18,911,259 |
| Luzerne | 1,331,623 | 93,005 | 26,393,558 |
| Northumberland | 128,101 | 5,902 | 5,467,363 |
| Schuylkill | 505,663 | 33,076 | 14,427,485 |
| Sullivan | ..... | 263,224 | 590,396 |
| Susquehanna | 50,741 | ..... | 550,969 |
| Total | 3,924,467 | 413,838 | 70,424,197 |
| Percentage of total | 5.57 | 0.59 | 100.00 |

8420

8421 Quantity of each size of anthracite shipped from each county in 1911 and 1912, in long tons, and percentage of total—Continued.

1912.

| County. | Lump and steamboat. | Broken. | | Stove. |
|---|---|---|---|---|
| Carbon | 12,465 | 164,130 | 253,626 | 300,390 |
| Columbia | 20,593 | 11,547 | 145,855 | 149,906 |
| Dauphin | ..... | 26,688 | 38,272 | 132,250 |
| Lackawanna | 17,229 | 578,994 | 2,230,739 | 3,212,447 |
| Luzerne | 152,717 | 1,790,303 | 3,752,474 | 4,778,435 |
| Northumberland | 11,200 | 228,907 | 639,230 | 962,872 |
| Schuylkill | 204,397 | 924,307 | 1,764,971 | 2,140,653 |
| Sullivan | ..... | 11,298 | 51,946 | 72,796 |
| Susquehanna | ..... | 18,393 | 57,951 | 79,653 |
| 8422 Total | 418,601 | 3,754,567 | 8,935,064 | 11,829,400 |
| Percentage of total | .064 | 5.76 | 13.70 | 18.14 |

| County. | Chestnut. | Pea. | Buckwheat No. 1. | Buckwheat No. 2 and rice. |
|---|---|---|---|---|
| Carbon | 425,749 | 293,306 | 309,092 | 292,090 |
| Columbia | 210,383 | 108,780 | 151,662 | 121,616 |
| Dauphin | 97,202 | 54,730 | 121,830 | 132,583 |
| Lackawanna | 3,785,627 | 1,842,760 | 2,012,050 | 929,564 |
| Luzerne | 6,026,189 | 2,463,387 | 2,722,603 | 1,208,348 |
| Northumberland | 1,154,954 | 624,010 | 947,288 | 550,698 |
| Schuylkill | 2,696,948 | 1,695,045 | 2,339,046 | 1,430,942 |
| Sullivan | 103,581 | 68,050 | ..... | ..... |
| Susquehanna | 100,449 | 56,171 | 64,602 | 25,818 |
| Total | 14,601,082 | 7,206,239 | 8,698,173 | 4,691,659 |
| 8423 Percentage of total | 22.38 | 11.05 | 13.33 | 7.19 |

| County. | Buckwheat No. 3 and barley. | Screenings. | Total. |
|---|---|---|---|
| Carbon | 101,447 | 11,601 | 2,163,896 |
| Columbia | 16,362 | ..... | 936,704 |
| Dauphin | 32,820 | 995 | 637,370 |
| Lackawanna | a2,247,148 | 44,472 | 16,901,030 |
| Luzerne | b1,735,888 | 18,114 | 24,648,456 |
| Northumberland | 101,954 | 17,478 | 5,238,591 |
| Schuylkill | 416,669 | 46,879 | 13,689,857 |
| Sullivan | ..... | 226,333 | 534,004 |
| Susquehanna | 76,310 | ..... | 479,347 |
| Total | 4,728,598 | 365,872 | 65,229,255 |
| 8424 Percentage of total | 7.25 | 0.56 | 100.00 |

a Includes 423,673 tons of "birdseye," a mixture of buckwheat Nos. 2 and 3.
b Includes 251,597 tons of birdseye.

Distributed by trade regions the shipments of anthracite in 1912 were as follows: 8425

Shipments from collieries and washeries, by regions and sizes, 1912, in long tons.

| | Lehigh region. | huylkill region. | Wyoming region. | Total. |
|---|---|---|---|---|
| Lump | 38,159 | 230,351 | 150,091 | 418,601 |
| Broken | 513,068 | 1,024,884 | 2,205,317 | 3,743,269 |
| Egg | 1,220,610 | 2,308,107 | 5,354,401 | 8,883,118 |
| Stove | 1,435,541 | 3,061,408 | 7,259,655 | 11,756,604 |
| Chestnut | 1,885,646 | 3,683,667 | 8,928,057 | 14,497,370 |
| Pea | 1,079,167 | 2,179,384 | 3,879,590 | 7,138,141 |
| Buckwheat No. 1 | 1,299,714 | 3,202,299 | 4,195,571 | 8,697,584 |
| Buckwheat No. 2 | 945,597 | 1,973,126 | 1,756,979 | 4,675,702 |
| Buckwheat No. 3 | 366,372 | 486,573 | 3,865,567 | 4,718,512 |
| Screenings | 16,251 | 64,161 | 57,936 | 138,348 |
| Total | 8,800,125 | 18,213,960 | 37,653,164 | 64,667,249 |

8426

These figures differ slightly, but not materially, from the returns made by the railroads to the bureau of anthracite statistics. Neither statement includes the shipments from Sullivan County.

The following table gives the yearly shipments of anthracite, as reported by the Pennsylvania bureau of anthracite coal statistics, from the earliest date to the close of 1912, divided according to the three trade regions. These shipments include only coal loaded on cars for line or tide points and do not include any coal sold locally or used at and about the mines nor the shipments from the Sullivan County mines. 8427

Annual shipments from the Schuylkill, Lehigh, and Wyoming regions, 1820-1912, in long tons

| Year. | Schuylkill region. | | Lehigh region. | | Wyoming region. | | Total. |
|---|---|---|---|---|---|---|---|
| | Quantity. | Percentage. | Quantity. | Percentage. | Quantity. | Percentage. | Quantity. |
| 1820 | ..... | ..... | 365 | ..... | ..... | ..... | 365 |
| 1821 | ..... | ..... | 1,073 | ..... | ..... | ..... | 1,073 |
| 1822 | 1,480 | 39.79 | 2,240 | 60.21 | ..... | ..... | 3,720 |
| 1823 | 1,128 | 16.23 | 5,823 | 83.77 | ..... | ..... | 6,951 |
| 1824 | 1,567 | 14.10 | 9,541 | 85.90 | ..... | ..... | 11,108 |
| 1825 | 6,500 | 18.60 | 28,393 | 81.40 | ..... | ..... | 34,893 |
| 1826 | 16,767 | 34.90 | 31,280 | 65.10 | ..... | ..... | 48,047 |
| 1827 | 31,360 | 49.44 | 32,074 | 50.56 | ..... | ..... | 63,434 |
| 1828 | 47,284 | 61.00 | 30,232 | 39.00 | ..... | ..... | 77,516 |
| 1829 | 79,973 | 71.35 | 25,110 | 22.40 | 7,000 | 6.25 | 112,083 |
| 1830 | 89,984 | 51.50 | 41,750 | 23.90 | 43,000 | 24.60 | 174,734 |
| 1831 | 81,854 | 46.29 | 40,966 | 23.17 | 54,000 | 30.54 | 176,820 |
| 1832 | 209,271 | 57.61 | 70,000 | 19.27 | 84,000 | 23.12 | 363,271 |
| 1833 | 252,971 | 51.87 | 123,001 | 25.22 | 111,777 | 22.91 | 487,749 |
| 1834 | 226,692 | 60.19 | 106,244 | 28.21 | 43,700 | 11.60 | 376,636 |
| 1835 | 339,508 | 60.54 | 131,250 | 23.41 | 90,000 | 16.05 | 560,758 |
| 1836 | 432,045 | 63.16 | 148,211 | 21.66 | 103,861 | 15.18 | 684,117 |
| 1837 | 530,152 | 60.98 | 223,902 | 25.75 | 115,387 | 13.27 | 869,441 |
| 1838 | 446,875 | 60.49 | 213,615 | 28.92 | 78,207 | 10.59 | 738,697 |
| 1839 | 475,077 | 58.05 | 221,025 | 27.01 | 122,300 | 14.94 | 818,402 |
| 1840 | 490,596 | 56.75 | 225,313 | 26.07 | 148,470 | 17.18 | 864,379 |
| 1841 | 624,466 | 65.07 | 143,037 | 14.90 | 192,270 | 20.03 | 959,773 |
| 1842 | 583,273 | 52.62 | 272,540 | 24.59 | 252,599 | 22.79 | 1,108,412 |
| 1843 | 710,200 | 56.21 | 267,793 | 21.19 | 285,605 | 22.60 | 1,263,598 |
| 1844 | 887,937 | 54.45 | 377,002 | 23.12 | 365,911 | 22.43 | 1,630,850 |
| 1845 | 1,131,724 | 56.22 | 429,453 | 21.33 | 451,836 | 22.45 | 2,013,013 |

8428

8429 Annual shipments from the Schuylkill, Lehigh, and Wyoming regions, 1820-1912, in long tons—Continued.

| Year. | Schuylkill region. | | Lehigh region. | | Wyoming region. | | Total. |
|---|---|---|---|---|---|---|---|
| | Quantity. | Percentage. | Quantity. | Percentage. | Quantity. | Percentage. | Quantity. |
| 1846 | 1,308,500 | 55 82 | 517,116 | 22 07 | 518,389 | 22 11 | 2,344,005 |
| 1847 | 1,665,735 | 57 79 | 633,507 | 21 98 | 583,067 | 20 23 | 2,882,309 |
| 1848 | 1,733,721 | 56 12 | 670,321 | 21 70 | 685,196 | 22 18 | 3,889,238 |
| 1849 | 1,728,500 | 53 30 | 781,556 | 24 10 | 732,910 | 22 60 | 3,242,966 |
| 1850 | 1,840,620 | 54 80 | 690,456 | 20 56 | 827,823 | 24 64 | 3,358,899 |
| 1851 | 2,328,523 | 52 34 | 964,224 | 21 68 | 1,156,167 | 25 98 | 4,448,916 |
| 1852 | 2,636,835 | 52 81 | 1,072,136 | 21 47 | 1,284,500 | 25 72 | 4,993,471 |
| 1853 | 2,665,110 | 51 30 | 1,054,309 | 20 49 | 1,475,732 | 28 41 | 5,195,151 |
| 1854 | 3,191,670 | 53 14 | 1,207,186 | 20 13 | 1,603,478 | 26 73 | 6,002,334 |
| 1855 | 3,552,943 | 53 77 | 1,284,113 | 19 43 | 1,771,511 | 26 80 | 6,608,567 |
| 1856 | 3,603,029 | 52 91 | 1,351,970 | 19 52 | 1,972,581 | 28 47 | 6,927,580 |
| 1857 | 3,373,797 | 50 77 | 1,318,541 | 19 84 | 1,952,603 | 29 39 | 6,644,941 |
| 1858 | 3,273,245 | 47 86 | 1,380,030 | 20 18 | 2,186,094 | 31 96 | 6,839,369 |
| 1859 | 3,448,708 | 44 16 | 1,628,311 | 20 86 | 2,731,236 | 34 98 | 7,808,255 |
| 1860 | 3,749,632 | 44 04 | 1,821,674 | 21 40 | 2,941,817 | 34 56 | 8,513,123 |
| 1861 | 1,360,747 | 39 74 | 1,738,377 | 21 85 | 3,055,140 | 38 41 | 7,954,264 |
| 1862 | 3,372,583 | 42 86 | 1,351,054 | 17 17 | 3,145,770 | 39 97 | 7,869,407 |
| 1863 | 3,911,683 | 40 90 | 1,894,713 | 19 80 | 3,759,610 | 39 30 | 9,566,006 |
| 1864 | 4,161,970 | 40 89 | 2,054,669 | 20 19 | 3,960,836 | 38 92 | 10,177,475 |
| 1865 | 4,356,959 | 45 14 | 2,040,913 | 21 14 | 3,254,519 | 33 72 | 9,652,391 |
| 1866 | 5,787,902 | 45 56 | 2,179,364 | 17 15 | 4,736,616 | 37 29 | 12,703,882 |
| 1867 | 5,161,671 | 39 74 | 2,502,054 | 19 27 | 5,325,000 | 40 99 | 12,988,725 |
| 1868 | 5,330,737 | 38 52 | 2,502,582 | 18 13 | 5,968,146 | 43 25 | 13,801,465 |
| 1869 | 5,775,138 | 41 66 | 1,949,673 | 14 06 | 6,141,369 | 44 28 | 13,866,180 |
| 1870 | 4,968,157 | 30 70 | 3,239,374 | 20 02 | 7,974,660 | 49 28 | 16,182,191 |
| 1871 | 6,552,772 | 41 74 | 2,235,707 | 14 24 | 6,911,242 | 44 02 | 15,699,721 |
| 1872 | 6,694,800 | 34 03 | 3,873,339 | 19 70 | 9,101,549 | 46 27 | 19,699,778 |
| 1873 | 7,212,601 | 33 97 | 3,705,596 | 17 46 | 10,309,755 | 48 57 | 21,227,952 |
| 1874 | 6,866,877 | 34 09 | 3,773,836 | 18 73 | 9,504,408 | 47 18 | 20,145,121 |
| 1875 | 6,281,712 | 31 87 | 2,834,605 | 14 38 | 10,596,155 | 53 75 | 19,712,472 |
| 1876 | 6,221,934 | 33 63 | 3,854,919 | 20 84 | 8,424,158 | 45 53 | 18,501,011 |
| 1877 | 8,195,042 | 39 35 | 4,332,769 | 20 80 | 8,300,377 | 39 85 | 20,828,179 |
| 1878 | 6,282,226 | 35 68 | 3,237,449 | 18 40 | 8,085,587 | 45 92 | 17,605,262 |
| 1879 | 8,960,829 | 34 28 | 4,595,567 | 17 58 | 12,586,293 | 48 14 | 26,142,689 |
| 1880 | 7,554,742 | 32 23 | 4,463,221 | 19 05 | 11,419,279 | 48 72 | 23,437,242 |
| 1881 | 9,253,958 | 32 46 | 5,294,676 | 18 58 | 13,951,383 | 48 96 | 28,500,017 |
| 1882 | 9,459,288 | 32 48 | 5,689,437 | 19 54 | 13,971,371 | 47 98 | 29,120,096 |
| 1883 | 10,074,726 | 31 69 | 6,113,809 | 19 23 | 15,604,492 | 49 08 | 31,793,027 |
| 1884 | 9,478,314 | 30 85 | 5,562,226 | 18 11 | 15,677,753 | 51 04 | 30,718,293 |
| 1885 | 9,488,426 | 30 01 | 5,898,634 | 18 65 | 16,236,470 | 51 34 | 31,623,530 |
| 1886 | 9,381,407 | 29 19 | 5,723,129 | 17 89 | 17,031,826 | 52 82 | 32,136,362 |
| 1887 | 10,609,028 | 30 63 | 4,347,061 | 12 55 | 19,684,929 | 56 82 | 34,641,018 |
| 1888 | 10,654,116 | 27 93 | 5,639,236 | 14 78 | 21,852,366 | 57 29 | 38,145,718 |
| 1889 | 10,486,185 | 29 28 | 6,294,073 | 17 57 | 19,036,835 | 53 15 | 35,817,093 |
| 1890 | 10,867,822 | 29 68 | 6,329,658 | 17 28 | 19,417,979 | 53 04 | 36,615,459 |
| 1891 | 12,741,258 | 31 50 | 6,381,838 | 15 78 | 21,325,240 | 52 72 | 40,448,336 |
| 1892 | 12,626,784 | 30 14 | 6,451,076 | 15 40 | 22,815,480 | 54 46 | 41,893,340 |
| 1893 | 12,357,444 | 28 68 | 6,892,352 | 15 99 | 23,839,741 | 55 33 | 43,089,537 |
| 1894 | 12,035,005 | 29 08 | 6,705,434 | 16 20 | 22,650,761 | 54 72 | 41,391,200 |
| 1895 | 14,269,932 | 30 68 | 7,298,124 | 15 69 | 24,943,421 | 56 63 | 46,511,477 |
| 1896 | 13,097,571 | 30 34 | 6,490,441 | 15 03 | 23,589,473 | 54 63 | 43,177,485 |
| 1897 | 12,181,061 | 29 26 | 6,249,540 | 15 00 | 23,207,263 | 55 74 | 41,637,864 |
| 1898 | 12,078,875 | 28 83 | 6,253,109 | 14 92 | 23,567,767 | 56 25 | 41,899,751 |
| 1899 | 14,199,009 | 29 79 | 6,887,909 | 14 45 | 26,578,286 | 55 76 | 47,665,204 |
| 1900 | 13,502,732 | 29 94 | 6,918,627 | 15 33 | 24,686,125 | 54 73 | 45,107,484 |
| 1901 | 16,019,591 | 29 92 | 7,211,974 | 13 45 | 30,337,036 | 56 63 | 53,568,601 |
| 1902 | 8,471,391 | 27 15 | 3,470,736 | 11 12 | 19,258,763 | 61 73 | 31,200,890 |
| 1903 | 16,474,790 | 27 75 | 7,164,783 | 12 07 | 35,723,258 | 60 18 | 59,362,831 |
| 1904 | 16,379,293 | 28 49 | 7,107,220 | 12 36 | 34,006,009 | 59 15 | 57,492,522 |
| 1905 | 17,703,099 | 28 83 | 7,849,205 | 12 78 | 35,857,897 | 58 39 | 61,410,201 |
| 1906 | 16,011,285 | 28 75 | 7,046,617 | 12 65 | 32,640,693 | 58 60 | 55,698,595 |
| 1907 | 20,141,288 | 30 01 | 8,320,653 | 12 41 | 38,638,452 | 57 58 | 67,109,393 |
| 1908 | 18,006,464 | 27 85 | 7,786,255 | 12 04 | 38,872,295 | 60 11 | 64,665,014 |
| 1909 | 16,864,147 | 27 21 | 7,532,271 | 12 16 | 37,573,467 | 60 63 | 61,969,885 |
| 1910 | 17,845,020 | 27 49 | 8,627,539 | 13 29 | 38,433,227 | 59 22 | 64,905,786 |
| 1911 | 19,375,369 | 27 70 | 9,775,018 | 13 97 | 40,803,912 | 58 33 | 69,954,299 |
| 1912 | 18,013,406 | 28 32 | 8,571,861 | 13 47 | 37,025,311 | 58 21 | 63,610,578 |
| Total | 594,758,510 | 31 59 | 291,829,976 | 15 50 | 996,372,777 | 52 91 | 1,882,961,263 |

8430

8431

8432

A tabular statement of the several sections of the anthracite fields is given in the following table: 8433

Anthracite coal fields, by field, local district, and trade region.

| Coal field or basin. | Local district. | Trade region. |
|---|---|---|
| Northern | Carbondale | Wyoming. |
| | Scranton | |
| | Pittston | |
| | Wilkes-Barre | |
| | Plymouth | |
| | Kingston | |
| Eastern middle | Green Mountain | Lehigh. |
| | Black Creek | |
| | Hazleton | |
| | Beaver Meadow | |
| | Panther Creek | |
| | East Schuylkill | |
| | Western Schuylkill | |
| Southern | Lorberry | Schuylkill. |
| | Lykens Valley | |
| Western middle | East Mahanoy | |
| | West Mahanoy | |
| | Shamokin | |

8434

The anthracite fields are reached by 11 so-called initial railroads, as follows:

Philadelphia & Reading Railway.
Lehigh Valley Railroad.
Central Railroad of New Jersey.
Delaware, Lackawanna & Western Railroad.
Delaware & Hudson Co.'s Railroad. 8435
Pennsylvania Railroad.
Erie Railroad.
New York, Ontario & Western Railway.
Delaware, Susquehanna & Schuylkill Railroad (part of Lehigh Valley system).
New York, Susquehanna & Western Railroad (part of Erie system).
Lehigh & New England Railroad.

8436

8437 **L. V. R. R. EXHIBIT NO. 5.**

New York Harbor Tonnage *via* All Railroads with Proportion Shipped by Lehigh Valley Coal Sales Company
Fiscal Year Ending June 30th, 1913.

| | | Total New York Harbor Tonnage | L. V. C. S. Co. Tonnage | L. V. C. S. Co. % |
|---|---|---|---|---|
| | July 1912 | 639,485.14 | 76,334.11 | 11.94 |
| 8438 | Aug. " | 613,254.10 | 70,503.16 | 11.50 |
| | Sept. " | 608,071.08 | 57,265.17 | 9.42 |
| | Oct. " | 763,286.17 | 78,401.02 | 10.27 |
| | Nov. " | 697,498.05 | 102,377.14 | 14.68 |
| | Dec. " | 820,076.01 | 132,991.02 | 16.22 |
| | Jan. 1913 | 947,368.11 | 114,374.10 | 12.07 |
| | Feb. " | 734,434.06 | 76,974.07 | 10.48 |
| | Mar. " | 437,241.09 | 33,582.11 | 7.68 |
| | April " | 955,907.06 | 138,969.05 | 14.54 |
| | May " | 638,363.06 | 61,256.05 | 9.60 |
| | June " | 517,747.04 | 56,760.10 | 10.96 |
| 8439 | | 8,372,734.17 | 999,791.10 | 11.94 |

**L. V. R. R. EXHIBIT NO. 6.**

HARTSHORNE, INSLEY & LEAKE,
239 Washington Street

Jersey City, N. J., June 30, 1914.

Mr. E. H. Boles,
8440 Lehigh Valley R. R. Company,
143 Liberty Street,
New York City.

My dear Mr. Boles:—

As you probably know, the Wertheims are not getting any coal from the Mill Creek Coal Company. They tell me that they can get some coal, originating on the Pennsylvania Railroad which will be shipped over the Penn-

sylvania Railroad and switched to their yard over the National Docks Railroad. If this is done, will you make any claim under the clause in the lease requiring the Wertheims to ship all their coal over the Lehigh Valley Railroad? 8441

I would like a reply at your earliest convenience.

Yours very truly,

(Signed) EUGENE W. LEAKE.

(NOTE: *See L. V. R. R. Exhibit 66.*)

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## L. V. R. R. EXHIBIT NO. 7. 8442

### Sections from Various Specified Acts of the Commonwealth of Pennsylvania.

AN ACT TO INCORPORATE THE BEAVER MEADOW RAIL-ROAD AND COAL CO.

Approved 7th April, 1830. (P. L. 392)

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SECT. 2. And be if further enacted by the authority aforesaid, That whenever one thousand shares shall have been actually subscribed, and five dollars on each share shall have been paid to said commissioners, the said commissioners shall certify the same under oath or affirmation, to the Governor of this Commonwealth, and on receipt of such certificate, the Governor shall by letters patent under his hand and the seal of the Commonwealth, create and erect the subscribers, and if the subscription be not full at the time, then those also who shall thereafter subscribe to the number of shares aforesaid, into a body corporate and politic in deed and in law, by the name, style and title of the "President and Directors of the Beaver Meadow Rail- 8443

When 1000 shares are taken charter may issue.

8444

Style.

road and Coal Company," and by the same name the subscribers shall have perpetual succession, and all the privileges and franchises incident to a corporation, may make and establish a common seal, and the same alter, break, or renew at pleasure, and shall be capable of taking and holding their capital stock, and the increase and profits thereof, and of purchasing and holding to them, and their successors and assigns, in fee simple or for any lesser estate, such real and personal estate as shall be necessary to them in the prosecution of their work, and of suing and being sued, and of doing all and every other matter and thing which a corporation or body politic may of right do: Provided, That the real estate which it shall be lawful for the said company to hold in their own right, or in trust, or otherwise, shall not exceed at any time two hundred acres of coal land, besides what shall be necessary for the rail-road hereinafter mentioned, and coal yards and landing places as may be proper for the use of said company: And provided also, That nothing herein contained shall be so construed as to giving or granting to said company any banking, manufacturing, or trading privileges whatever, or any other privileges beyond what may be necessary to the perfect completion of the said railroad, and carrying on the business of mining, transporting, and vending coal, and receiving the tolls authorized by this act.

Privileges, liabilities, &c.

Proviso.

Quantity of land to be increased by subsequent supplements.

No banking privileges, &c.

## A Further Supplement to an Act Entitled an Act Incorporating the Beaver Meadow Rail-Road and Coal Company. 8449

Approved 20th March, 1849. (P. L. 185)

Sect. 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That it shall and may be lawful for the Beaver Meadow Rail-road and Coal Company to hold, not exceeding two thousand acres of land, and that the privileges heretofore granted and the time heretofore fixed for the extension of the rail-road to Easton, be and the same are hereby revived and extended for a period of seven years, and for the commencement of the same for a period of three years from and after the passage of this act: Provided, That the land which the said company shall hold under the provisions of this act, shall not be located at a greater distance than seven miles from the land which they now hold: And provided also, That if the Delaware, Lehigh, Schuylkill and Susquehanna Rail-road Company shall commence their rail-road along the valley of the Lehigh and complete the same within the time provided in their act of incorporation, or any supplement that may be passed thereto, the privilege hereby extended to the Beaver Meadow Rail-road and Coal Company shall not authorize the extension of their road

8450

May hold 2000 acres land additional.

Time for making road to Easton extended for seven years. Provided the land is within 7 miles. 8451

Provided if Lehigh Valley Rail-Road make their road, then the extension only to connect with them. 8452

further down the Lehigh, than shall be necessary to connect with the Delaware, Lehigh, Schuylkill and Susquehanna Rail-road Company's road.

William F. Packer,
Speaker of the House
of Representatives.
Geo. Darsie,
Speaker of the Senate.

Approved—The twentieth day of March, one thousand eight hundred and forty-nine.

Wm. F. Johnston.

## A Further Supplement to An Act to Incorporate the Beaver Meadow Rail-Road and Coal Company.

Approved 15th April, 1857. (P. L. 189)

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Sect. 2. That the said company be and it is hereby authorized and empowered by and with the consent of the owners thereof, to purchase the lateral rail-roads now made connecting with the Beaver Meadow Rail-road, leading to coal mines and to make lateral rail-roads to other coal mines, as may be required: Provided, That no such laterals shall exceed ten miles in length: Provided further, That the said company shall have all the rights, powers, and privileges and be subject to all the restrictions and provisions of the ninth section of an act entitled "An Act regulating rail-road companies," approved the nineteenth day of February, one thousand eight hundred and forty-nine.

May purchase connecting lateral Rail-roads or build others.

Not to exceed 10 miles in length.

To have the provision of 9th Sect. of "Act regulating Railroad Companies."

## L. V. R. R. EXHIBIT NO. 8. 8457

### Sections from Various Specified Acts of the Commonwealth of Pennsylvania.

AN ACT TO INCORPORATE THE HAZLETON COAL COMPANY.

Approved 18th March, 1836. (P. L. 129)

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SECTION 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same, That Samuel Moore, Jacob Drumheller, Jacob Souder, Matthew C. Jenkins, and P. A. Reading, and their associates, successors and assigns, be and they are hereby constituted a body politic and corporate, by the name and style of "The Hazleton Coal Company," for the purpose of mining of coal, and for transacting the usual business of companies engaged in the mining, transporting to market, and selling of coal, and the other products of coal mines; and the said corporation by the said name is hereby declared and made capable in law, to sue and be sued, to plead and be impleaded, to have a common seal, and the same to alter and renew at pleasure, to make rules and by-laws for the regulation and management of said corporation, consistent with the laws of the United States and of this commonwealth, and generally to do and execute, for the well being of the said company, whatever shall lawfully pertain to such bodies politic: Provided, That nothing herein contained shall be considered as in any way

8458

Incorporation.

Title.

8459

8460

Proviso

8461 giving to said company banking or railroad privileges, but they shall be exclusively confined to the operations pertaining to the business aforesaid, according to the true intent and meaning of this act: And provided, That each stockholder shall be liable, in his individual capacity, for the debts and performance of all contracts entered into by the said company to the amount of the balance unpaid on the stock of said stockholder, so that the whole capital stock of the company, whether paid in or not, shall be liable for said debts and contracts.

Proviso.

8462

LAW AUTHORIZING THE LAUREL HILL COAL COMPANY TO MAKE A RAILROAD TO RIVER LEHIGH, AND TO BORROW MONEY.

8463 Extract from an Act entitled "A Supplement to an Act to Incorporate the Sunbury and Erie, and Pittsburg and Susquehanna Railroad Companies, and for other purposes," passed the 20th day of March, 1838.

Approved 20th March, 1838. (P. L. 151)

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SECT. 8. That the Laurel Hill Coal Company be and are hereby authorized to construct a railroad, with one or more tracks, from their coal lands or the Hazleton Railroad to the River 8464 Lehigh, at such point as they may deem most expedient, and for that purpose they may increase their capital stock, or borrow fifty thousand dollars, and have the same powers and immunities, and be subject to the same terms and conditions that are provided in the act to incorporate the Beaver Meadow Railroad and Coal Company, and the supplements thereto.

May construct railroad to river Lehigh, and may borrow money.

## Act of March 8, 1839, Conferring Privileges of the Laurel Hill Coal Company to the Hazleton Coal Company. 8465

Supplement to an Act entitled "An Act to Incorporate the Hazleton Coal Company."

Approved 8th March, 1839. (P. L. 49)

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Section 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same, That the Hazleton Coal Company be and are hereby authorized to exercise all the privileges and powers granted by act of March 20th, 1838, to the Laurel Hill Coal Company, for the construction of a railroad from the Hazleton Railroad to the river Lehigh: Provided, That said Laurel Hill Coal Company do consent thereto, and certify such consent to the Governor of the Commonwealth, under the corporate seal of said Company, within six months from the date of this act; and in the event of such consent being so certified, the Hazleton Coal Company shall be authorized to borrow the sum of two hundred and fifty thousand dollars, and to increase their capital by an amount not exceeding three thousand shares, of fifty dollars each; and for the more perfect security of any sum or sums so bor- 8466

Transfer of power of Laurel Hill Coal Company. act 20th of March, 1838, for constructing a railroad to Lehigh. 8467

Consent to be obtained and certificate to Governor.

May borrow $250,000. 8468

May increase capital 3000 shares of $50.

8469 rowed, the said Company are hereby authorized to mortgage the whole or any part of their landed estate, railroad, and other improvements. May mortgage estate and improvements.

WILLIAM HOPKINS,
Speaker of the House of Representatives.
CHARLES B. PENROSE,
Speaker of the Senate.

Approved, this eighth day of March, Anno Domini, eighteen hundred and thirty-nine.

8470 DAVID R. PORTER.

ACT OF APRIL 5, 1849.

A further supplement to the Act entitled "An Act to Incorporate the Hazleton Coal Company."

Approved 5th April, 1849. (P. L. 403)

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SECTION 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsyl-
8471 vania in General Assembly met, and it is hereby enacted by the authority of the same, That the charter of the "Hazleton Coal Company," approved March eighteen, Anno Domini one thousand eight hundred and thirty-six, be and the same is hereby extended for the term of twenty years from the expiration thereof: Provided, That the said company shall construct a double track on their road, to be laid with iron rail of not less than fifty pounds weight to the yard, and that not less than two miles of single track shall be constructed within the
8472 present year, and that the whole shall be completed with double track in ten years: And provided further, That the said company shall pay to the State Treasurer, one per centum on its capital stock, in four equal annual instalments of one thousand dollars each, the first instalment to become due and payable on the first Monday in January, one thousand eight hundred and fifty, and the remaining three instalments at intervals of twelve months each, which several instalments when paid shall be appropriated to a redemption of the loans of this Commonwealth.

SECT. 2. That the rate of toll to be charged by said 8473
company on coal, salt, gypsum, lime, limestone, and iron ore, shall not exceed one and a half cents per mile, for each ton of two thousand two hundred and forty pounds, and that no toll shall be charged on the engines, tenders, or cars employed in transporting the same, either going of returning.

ACT OF MARCH 18, 1851.

A further supplement to an Act entitled "An Act to Incorporate the Hazleton Coal Company," passed eighteenth March, Anno Domini one thousand eight hundred and thirty-six. 8474

Approved 18th March, 1851. (P. L. 190)

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SECTION 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That it shall and may be lawful for the Hazleton Coal Company to take hold and dispose of such real estate within the city and county of Philadelphia, as may be needful to furnish them with safe and proper offices for preserving their books and papers and transacting their business, and also such as may have been, or shall hereafter be by them bona fide received as security or in satisfaction for debts due to them. 8475

ACT OF JANUARY 12, 1856.

A further supplement to an Act entitled "An Act to Incorporate the Hazleton Coal Company," approved March eighteenth, one thousand eight hundred and thirty-six. 8476

Approved 12th Jany. 1856. (P. L. 2)

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SECTION 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That the provisions of the eighteenth section of the act entitled "An Act regulating

8477 Railroad Companies," approved the nineteenth day of February, one thousand eight hundred and forty-nine, be and are hereby declared to be applicable to the railroads already constructed or hereafter to be completed by the Hazleton Coal Company, under the original charter and the supplement thereto, as fully as if the same had been embraced in the said charter and supplements, and the said company are hereby authorized to increase the capital stock by additions thereto of not more than ten thousand shares, of fifty dollars each, and to be issued
8478 as to them shall seem expedient: Provided, That said company shall pay into the State Treasury a bonus of one half of one per centum upon the amount of such stock hereby authorized, in four equal annual instalments, from and after the creation of the same.

AN ACT RELATING TO THE HAZLETON COAL COMPANY.
Approved 9th March, 1865. (P. L. 299)

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SECTION 2. The name, style and title of the said com-
8479 pany shall be the Hazleton Railroad Company: PROVIDED, That this act shall not go into effect, until accepted by a majority of the stockholders, present at a meeting, held for that purpose, of which fifteen days' notice shall be given, in two daily newspapers, and the secretary of the commonwealth shall have been notified of such acceptance.

AN ACT PROVIDING FOR THE INTRODUCTION OF WATER INTO THE BOROUGH OF HAZLETON.

8480 Approved 8th March, 1862. (P. L. 224)

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WHEREAS, The Hazleton coal company have constructed a reservoir and laid iron pipes, for the purpose of conducting water through the borough of Hazleton, to supply their coal works, and other improvements, and are willing to furnish water to the inhabitants of said borough; therefore,

SECTION 1. That the Hazleton coal company shall have all the rights and privileges, and be subject to all the conditions contained in the tenth, eleventh, four-

teenth, and fifteenth sections of an act, entitled "An Act 8481
to provide for the incorporation of gas and water companies," approved the eleventh day of March, Anno Domini eighteen hundred and fifty-seven; PROVIDED, That the prices to be charged by the said company, for the use of water, shall not exceed the rates charged by the city of Philadelphia.

## L. V. R. R. EXHIBIT NO. 9.

AN ACT TO AUTHORIZE THE GOVERNOR TO INCORPORATE THE DELAWARE, LEHIGH, SCHUYLKILL AND SUSQUEHANNA 8482
RAILROAD COMPANY.

Approved 21st April, 1846. (P. L. 1848, page 575)

(Commonwealth of Pennsylvania)

SECTION 14. That the company shall not prevent any person or persons being the owner or owners of land bordering on the said railroad, 8483
or in the vicinity thereof, or adjacent thereto, from making such lateral railroads, and to connect them with the said railroad, from their said lands, as the said person or persons may wish, for the purpose of transporting their coal or produce on said railroad: Provided, That all such connections of lateral roads are to be made at the expense of the persons so wishing to connect, and according 8484
to the direction and approval of the engineer of said railroad company, so as not to obstruct or endanger the free travel on the main road: And provided also, That any person or persons owning such coal or produce shall have the privilege of transporting the same on said railroad in their own cars, subject to the rules and regulations of said company.

Lateral railroads.

Proviso.

Proviso.

8485

## L. V. R. R. EXHIBIT NO. 10.

A FURTHER SUPPLEMENT TO AN ACT ENTITLED "AN ACT TO INCORPORATE THE DELAWARE, LEHIGH, SCHUYLKILL, AND SUSQUEHANNA RAILROAD COMPANY," PASSED THE TWENTY-FIRST DAY OF APRIL, ONE THOUSAND EIGHT HUNDRED AND FORTY-SIX.

Approved 7th January, 1853. (P. L. 1)

(Commonwealth of Pennsylvania)

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8486

SECTION 1. That the name, style and title of the Delaware, Lehigh, Schuylkill, and Susquehanna railroad company be, and the same is hereby changed to, and the said corporation shall hereafter be known by the name of the Lehigh Valley railroad company, with all the rights, privileges and immunities, and subject to all the provisions and penalties provided for and enjoined by the said act to which this is a supplement.

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8487

## L. V. R. R. EXHIBIT NO. 11.

AN ACT RELATING TO THE LEHIGH VALLEY RAILROAD COMPANY.

Approved 8th March, 1856. (P. L. 96)

(Commonwealth of Pennsylvania)

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SECTION 1. That the Lehigh Valley railroad company be and they are hereby authorized and empowered to complete the construction of a railroad, with as many
8488 tracks as may be required, from the river Delaware, near Easton, up the valley of the Lehigh river, to a point at or near the mouth of the Mahoning creek, above the Lehigh Water Gap, thence to some point in Schuylkill county, with right to connect with the railroad of the Little Schuylkill navigation railroad and coal company at or near Tamaqua, with the right also to connect with the railroad of the Beaver Meadow railroad and coal company.

## L. V. R. R. EXHIBIT NO. 12. 8489

AN ACT TO INCORPORATE THE JEDDO AND CARBON COUNTY RAILROAD COMPANY.

Approved 23rd March, 1854. (P. L. (1856) 605)

(Commonwealth of Pennsylvania)

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SECTION 1. That Ario Pardee, of Luzerne county; William Lilly, of Carbon county; William W. Longstreth, Algernon S. Roberts, J. Gillingham Fell and Edward Roberts, of Philadelphia city, and such other persons as 8490
shall become shareholders, be and they are hereby incorporated into a body corporate in deed and in law, under the name, style and title of the Jeddo and Carbon County railroad company, with all the powers and subject to all the provisions and restrictions of the act, entitled "An Act regulating railroad companies," approved the nineteenth day of February, one thousand eight hundred and forty-nine: PROVIDED, That the managers shall consist of a president and six directors, a majority of whom shall form a quorum. 8491

SECTION 2. That the capital stock of said company shall consist of ten thousand shares of fifty dollars each: PROVIDED, That the said company may from time to time by a vote of the stockholders at a meeting called for that purpose, increase their capital stock so much as in their opinion may be necessary to complete said road and to carry out the true intent and meaning of this act, not exceeding five thousand additional shares.

SECTION 3. That the said company shall have the right to build and construct a railroad from any point on the 8492
waters of Black creek, in Hazle, Denison, Butler and Black Creek townships, Luzerne county, to the Lehigh river, with the privilege of connecting with the Hazleton, and Beaver Meadow company railroad, and also to construct branch roads, not exceeding five miles each in length, from their main line to accommodate the owners of coal lands.

8493 AN ACT SUPPLEMENTARY TO AN ACT, ENTITLED "AN ACT TO INCORPORATE THE JEDDO AND CARBON COUNTY RAILROAD COMPANY," APPROVED THE TWENTY-THIRD DAY OF MARCH, ONE THOUSAND EIGHT HUNDRED AND FIFTY-FOUR.

Approved 16th March, 1855. (P. L. 545)

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WHEREAS, It appears that, in order to make the Jeddo and Carbon railroad available to the coal land lying northward of the mountain range known as Council
8494 Ridge, a tunnel through the said mountain will be necessary therefore,

SECTION 1. That upon the completion of a tunnel of not less than two hundred yards in length, and of sufficient width for two railroad tracks by the Jeddo and Carbon County railroad company, it shall be lawful for the president and directors of said company to charge the same amount for tolls and transportation through said tunnel, as they are now allowed by law to charge for three miles of the road: PROVIDED, That the said presi-
8495 dent and directors may make such deductions therefrom as they shall deem expedient and proper, to those landowners and others who may contribute to the making of said tunnel.

A FURTHER SUPPLEMENT TO AN ACT, ENTITLED "AN ACT TO INCORPORATE THE JEDDO AND CARBON COUNTY RAILROAD COMPANY," APPROVED THE THIRD MARCH, ONE THOUSAND EIGHT HUNDRED AND FIFTY-FOUR.

Approved 12th February, 1856. (P. L. 41)

8496

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SECTIONN 3. That a majority of the stockholders of said railroad, convened in pursuance of this act, may change the corporate name to "The Lehigh and Luzerne Railroad Company."

A SUPPLEMENT TO AN ACT RELATIVE TO THE LEHIGH AND LUZERNE RAILROAD COMPANY, APPROVED THE TWELFTH DAY OF FEBRUARY, ONE THOUSAND EIGHT HUNDRED AND FIFTY-SIX. 8497

Approved 8th April, 1857. (P. L. 184)

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SECTION 1. That the name, style and title of the Lehigh and Luzerne railroad company shall hereafter be the Lehigh Luzerne railroad company, and the annual meetings of said company shall be held on the second Tuesday of January. 8498

AN ACT CONCERNING THE LEHIGH LUZERNE RAILROAD COMPANY.

Approved 16th April, 1858. (P. L. 308)

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SECTION 1. That in order to finish the railroad and tunnel of the Lehigh Luzerne railroad company, now in the process of construction, it shall be lawful for railroad, coal and navigation companies connecting therewith, or forming continuous lines of transportation between the coal lands of Luzerne and Carbon counties and the city of Philadelphia, or the Delaware division of the state canal, to subscribe to or invest in the stock and bonds of the said Lehigh Luzerne railroad company, or any railroad that may hereafter be constructed between White Haven, in Luzerne county, and Penn Haven, in Carbon county: PROVIDED, That no company shall make such subscription or investment for an amount greater, respectively, than ten per centum of its authorized capital. 8499 8500

8501 **L. V. R. R. EXHIBIT NO. 13.**

AN ACT TO INCORPORATE THE QUAKAKE RAILROAD COMPANY.

Approved 25th April, 1857. (P. L. 324).

(Commonwealth of Pennsylvania)

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SECTION 1. That William D. Lewis, Joseph Pancoast, Morris L. Hallowell, John B. Myers, Samuel V. Merrick, Charles S. Boker, Albert S. Worrell, John H. Towne,
8502 Robert Pearsall, Jesse Godley, Francis R. Wharton, Jacob R. Smith, Thomas Ridgway, Asa Packer, Robert H. Sayre, A. G. Brodhead, junior, Joseph H. Dulles, John Welsh, William Reed, and E. A. Packer, or any five of them, be and they are hereby appointed commissioners to open books, receive subscriptions and organize a company by the name, style and title of the Quakake railroad company, with power and authority to construct a railroad beginning at a point on the Beaver Meadow railroad, and connecting therewith at the junction of
8503 the Quakake and Black creeks, in Carbon county; thence in a westwardly direction up the Quakake valley, and thence to and to connect with the Catawissa, Williamsport and Erie railroad, at some point between the two Summit tunnels on the said railroad, in Rush township, Schuylkill county, subject to all the provisions and restrictions of an act regulating railroad companies, approved the nineteenth day of February, one thousand eight hundred and forty nine, and the several supplements thereto, so far as the same are not altered or
8504 supplied by this act.

* * * * *

SECTION 4. That it shall and may be lawful for any railroad company, with whose road the said Quakake railroad may or shall connect, to subscribe to the capital stock of said company.

## L. V. R. R. EXHIBIT NO. 14. 8505

AN ACT TO INCORPORATE THE PENN HAVEN AND WHITE HAVEN RAILROAD COMPANY.

Approved 4th May, 1857. (P. L. (1859) 786)

(Commonwealth of Pennsylvania)

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SECTION 1. That John Welsh, A. S. Roberts, John Ely, John H. Brown, George W. Hamersly, James Cox, James S. Cox, E. A. Douglass, A. G. Brodhead, David Thomas, H. B. Berryhill, J. G. Fell, Asa Packer, H. B. 8506 Wright, Ziba Bennett, G. M. Hollenback, J. N. Conyngham, William S. Ross, William R. Maffett, be and they are hereby appointed commissioners to receive subscriptions and organize a company by the name, style and title of the Penn Haven and White Haven Railroad Company, with power to construct a railroad from a point on the Beaver Meadow railroad at or near Penn Haven to the Lehigh and Susquehanna Railroad at or near White Haven, in Luzerne county, with the authority to connect the same with any other adjacent railroads 8507 in the counties of Carbon or Luzerne: PROVIDED, That no part of the said railroad shall approach within ten feet of the works of the Lehigh coal and navigation company, along the valley of the Lehigh, except in crossing the navigation of said company with bridgways, which in all cases shall be constructed of a height at least equal to that of the bridges constructed by the said company.

SUPPLEMENT TO THE ACT TO INCORPORATE THE PENN HAVEN AND WHITE HAVEN RAILROAD COMPANY, APPROVED THE FOURTH DAY OF MAY, ANNO DOMINI ONE THOUSAND EIGHT HUNDRED AND FIFTY-SEVEN. 8508

Approved 11th April, 1859. (P. L. 474)

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SECTION 3. That any railroad, navigation or coal company, shall have power to subscribe to, or purchase the stock and bonds of said company; and that so much of the fifth section of the said original act as is inconsistent herewith, is hereby repealed.

8509 A Further Supplement to an Act to Incorporate the Penn Haven and White Haven Railroad Company.

Approved 2nd April, 1860. (P. L. 751)

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Section 2. That the Penn Haven and White Haven railroad company shall have authority to construct a railroad from any point along the valley of the Lehigh, at or below the mouth of the Quakake creek, in the county of Carbon, to any point upon the Lehigh and Susque-
8510 hanna railroad, in Luzerne county, with authority to connect the same with any adjacent railroad; and for the purpose of completing the communication, the said company shall have authority to purchase any such railroad, or any part thereof.

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## L. V. R. R. EXHIBIT NO. 15.

Articles of Association of

## THE DELAWARE, SUSQUEHANNA AND SCHUYLKILL RAIL ROAD COMPANY.

8511

April 14, 1890.

Office of the Secretary of the Commonwealth of Pennsylvania.

Articles of Association of The Delaware, Susquehanna and Schuylkill Railroad Company.

We, the undersigned, nine of whom are citizens of Pennsylvania, do hereby form a Company for the purpose of constructing, maintaining and operating a railroad for public use in the conveyance of persons and
8512 property, under the provisions of an act of the General Assembly of the Commonwealth of Pennsylvania, entitled "An Act to authorize the formation and regulation of railroad corporations," approved April 4th, A. D. 1868, and the acts supplementary thereto; and for that purpose do make and sign these as our Articles of Association:

First.—That the name of the said Company is The Delaware, Susquehanna and Schuylkill Rail Road Company.

SECOND.—That the said Company is to exist for the term of nine hundred and ninety-nine years. 8513

THIRD.—That the places from and to which the said railroad is to be constructed, or maintained and operated, are as follows, namely: beginning at a point at or near the village of Drifton in the County of Luzerne, and extending via the Village of Eckley to a point at or near the Village of Gowen, which is situated at the Junction of Luzerne, Schuylkill and Columbia Counties all in the State of Pennsylvania. 8514

FOURTH.—That the length of said railroad will be, as near as may be, Thirty miles, and the name of each county in the State through or into which it is made, or intended to be made, is as follows, viz: Luzerne, Carbon, and Schuylkill.

FIFTH.—That the capital stock of said Company is to be Four hundred thousand dollars, being at least ten thousand dollars for every mile of road constructed, or proposed to be constructed, and shall consist of eight thousand shares, of a par value of fifty dollars each share. 8515

SIXTH.—The affairs of the Company shall be controlled by a President and a board of six directors, and the following are the names and places of residence of those who shall manage its affairs for the first year, or until others are chosen in their places, a majority of whom are citizens of Pennsylvania: 8516

| NAME. | RESIDENCE. | |
|---|---|---|
| Eckley B. Coxe, | Drifton, Luzerne Co., Pa. | President. |
| Eckley B. Coxe, | Drifton, Luzerne Co., Pa. | Directors. |
| Alexander Brinton Coxe, | Drifton, Luzerne Co., Pa. | |
| E. B. Ely, | New York City, N. Y. | |
| Arthur McClellan, | Drifton, Luzerne Co., Pa. | |
| J. Brinton White, | Drifton, Luzerne Co., Pa. | |
| Henry B. Coxe, | New York City, N. Y. | |

8517 IN WITNESS WHEREOF, The subscribers to these Articles of Association have hereto subscribed their names, places of residence and the number of shares of stock which each agrees to take.

| NAME. | RESIDENCE. | NO. OF SHARES. |
|---|---|---|
| Eckley B. Coxe, | Drifton, Penna. | one thousand. |
| Arthur McClellan, | Drifton, Pa. | one hundred. |
| J. Brinton White, | Drifton, Pa. | one hundred. |
| John Rohland, | Drifton, Pa. | one hundred. |
| Harry C. Sweeney, | Drifton, Pa. | one hundred. |
| Elliott A. Oberrender, | Drifton, Pa. | one hundred. |
| Alexander Brown Coxe, | Drifton, Pa. | one shares. |
| 8518 Henry B. Coxe, | New York. | 4,000 shares. |
| Ezra B. Ely, | New York. | one shares. |
| Alinz. B. Coxe, | Drifton, Pa. | 1000 shares. |
| Henry B. Coxe, Jr. | Philadelphia, Pa. | one shares. |

STATE OF PENNSYLVANIA }
COUNTY OF LUZERNE..... } ss:

Before me, the subscriber, a Notary Public in and for said county and State, in which county the principal office of the Company is designed to be located, duly authorized to take the acknowledgement of deeds, per-
8519 sonally came Eckley B. Coxe, Arthur McClellan and J. Brinton White, being three of the directors named in the foregoing Articles of Association, and in due form of law acknowledged the foregoing as their act and deed, for the purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this Twelfth day of April A. D. 1890.

(Signed) ELLIOTT A. OBERRENDER.
(Seal) Notary Public.

8520 STATE OF PENNSYLVANIA, }
COUNTY OF LUZERNE..... } ss:

Personally, before me, a Notary Public in and for the county and State aforesaid, came Eckley B. Coxe, Arthur McClellan and J. Brinton White, being three of the directors of the The Delaware, Susquehanna and Schuylkill Rail Road Company, and named as such in the foregoing Articles of Association, who being duly sworn according to law, depose and say that Five thousand dol-

lars for every mile of road proposed to be made has been 8521
in good faith subscribed thereto, and ten per centum paid thereon in good faith and in cash to the directors named in said Articles of Association, and that it is intended in good faith to construct the road mentioned in said Articles of Association.

ECKLEY B. COXE.
J. BRINTON WHITE.
ARTHUR MCCLELLAN.

Sworn to and subscribed before me this 12th day of April A. D. 1890 } 8522

ELLIOTT A. OBERRENDER.
(Seal) Notary Public.

Filed in the office of the Secretary of the Commonwealth, at Harrisburg, on the 14th day of April A. D. 1890.

(Signed) CHARLES W. STONE.
Secretary of the Commonwealth.

OFFICE OF THE 8523
SECRETARY OF THE COMMONWEALTH.
Harrisburg, April 14th, A. D. 1890.

PENNSYLVANIA, ss:

I DO HEREBY CERTIFY, That the foregoing and annexed is a full, true and correct copy of the Articles of Association of "The Delaware, Susquehanna and Schuylkill Rail Road Company," as the same remains on file in this office. 8524

[SEAL.]

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

(Signed) J. H. LINGENICKER.
Deputy Secretary of the Commonwealth.

MAPS

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LARGE

FOR

FILMING

THIS PAGE BOUND



# L. V. R. R. EXHIBIT NO. 17.

## LEHIGH VALLEY RAILROAD SYSTEM

### STATEMENT OF MILEAGE

JUNE 30, 1913

| | First Track Miles | Second Track Miles | Third Track Miles | Fourth Track Miles | Yard Tracks and Sidings Miles | Total Tracks Miles |
|---|---|---|---|---|---|---|
| OWNED AND CONTROLLED BY OWNERSHIP OF ENTIRE CAPITAL STOCK: | | | | | | |
| Lehigh Valley Railroad Company | 317.16 | 186.13 | 44.79 | 29.76 | 319.14 | 896.98 |
| Lehigh Valley Railroad Company of New Jersey | 122.01 | 93.35 | 37.88 | 13.05 | 251.89 | 518.18 |
| Pennsylvania and New York Canal and Railroad Company | 137.08 | 98.13 | 4.80 | 2.03 | 206.04 | 448.08 |
| The Lehigh Valley Rail Way Company | 508.76 | 197.50 | 4.87 | ..... | 294.95 | 1,006.08 |
| The Delaware, Susquehanna and Schuylkill Rail Road Company | 34.75 | ..... | ..... | ..... | 21.22 | 55.97 |
| Easton and Northern Railroad Company | 12.78 | ..... | ..... | ..... | 4.84 | 17.62 |
| The Schuylkill and Lehigh Valley Railroad Company | 41.84 | ..... | ..... | ..... | 7.86 | 49.70 |
| Loyalsock Railroad Company | 50.29 | ..... | ..... | ..... | 9.30 | 59.59 |
| Montrose Railroad Company | 27.36 | ..... | ..... | ..... | 3.37 | 30.73 |
| TOTAL | 1,252.03 | 575.11 | 92.34 | 44.84 | 1,118.61 | 3,082.93 |
| CONTROLLED BY OWNERSHIP OF MAJORITY OF CAPITAL STOCK AND LEASE: | | | | | | |
| Lehigh and New York Railroad Company | 115.37 | ..... | ..... | ..... | 37.95 | 153.32 |
| CONTROLLED BY LEASE: | | | | | | |
| Raritan Terminal and Transportation Company | .69 | ..... | ..... | ..... | .01 | .70 |
| National Storage Company | ..... | ..... | ..... | ..... | 8.66 | 8.66 |
| State Line and Sullivan Railroad Company | 24.06 | ..... | ..... | ..... | 3.59 | 27.65 |
| Hayts Corners, Ovid and Willard Railroad Company | 2.98 | ..... | ..... | ..... | .20 | 3.18 |
| Morris Canal and Banking Company | ..... | ..... | ..... | ..... | 1.03 | 1.03 |
| TOTAL | 27.73 | ..... | ..... | ..... | 13.49 | 41.22 |
| TOTAL | 1,395.13 | 575.11 | 92.34 | 44.84 | 1,170.05 | 3,277.47 |
| TOTAL | 43.77 | 20.94 | ..... | ..... | 12.65 | 77.36 |
| TRACKAGE RIGHTS | 1,438.90 | 596.05 | 92.34 | 44.84 | 1,182.70 | 3,354.83 |
| GRAND TOTAL | | | | | | |

8532 8531 8530 8529

## L. V. R. R. EXHIBIT NO. 17—(Continued).

STATEMENT BY DIVISIONS

| DIVISION | FROM | TO | First Track Miles | Second Track Miles | Third Track Miles | Fourth Track Miles | Yard Tracks and Sidings Miles | Total Tracks Miles |
|---|---|---|---|---|---|---|---|---|
| NEW YORK: | | | | | | | | |
| Main Line | Jersey City, N. J. | Parkview, N. J. | 10.46 | 10.46 | | | 80.13 | 101.05 |
| Branches | | | 11.62 | 8.10 | | | 57.45 | 77.17 |
| Trackage Rights | | | 6.65 | 6.65 | | | | 13.30 |
| | | TOTAL | 28.73 | 25.21 | | | 137.58 | 191.52 |
| NEW JERSEY & LEHIGH: | | | | | | | | |
| Main Line | Parkview, N. J. | Penn Haven Junction, Pa. | 118.90 | 118.90 | 71.50 | 42.81 | 169.59 | 521.70 |
| Branches | | | 108.30 | 10.19 | | | 118.50 | 236.99 |
| Trackage Rights | | | 3.55 | | | | | 3.55 |
| | | TOTAL | 230.75 | 129.09 | 71.50 | 42.81 | 288.09 | 762.24 |
| MAHANOY & HAZLETON: | | | | | | | | |
| Main Line | Penn Haven Junction, Pa. | Mt. Carmel, Pa. (via Hazleton) | 52.34 | 46.07 | | | 65.05 | 163.46 |
| Branches | | | 149.53 | 33.82 | | | 87.60 | 270.95 |
| Trackage Rights | | | 1.84 | | | | | 1.84 |
| | | TOTAL | 203.71 | 79.89 | | | 152.65 | 436.25 |
| WYOMING: | | | | | | | | |
| Main Line | Penn Haven Junction, Pa. | Athens, Pa. | 138.80 | 127.69 | 15.97 | 2.03 | 128.54 | 413.03 |
| Branches | | | 171.79 | 19.67 | | | 56.33 | 247.79 |
| Trackage Rights | | | 5.88 | | | | | 5.88 |
| | | TOTAL | 316.47 | 147.36 | 15.97 | 2.03 | 184.87 | 666.70 |
| AUBURN: | | | | | | | | |
| Main Line | Sayre, Pa. | North Fair Haven, N. Y. | 116.78 | | | | 38.13 | 154.91 |
| Branches | | | 185.52 | | | | 48.36 | 233.88 |
| Trackage Rights | | | 2.30 | | | | | 2.30 |
| | | TOTAL | 304.60 | | | | 86.49 | 391.09 |
| BUFFALO: | | | | | | | | |
| Main Line | Athens, Pa. | Buffalo, N. Y. | 177.87 | 177.87 | 4.87 | | 251.25 | 611.86 |
| Branches | | | 153.22 | 22.34 | | | 69.12 | 244.68 |
| Trackage Rights | | | 23.55 | 14.29 | | | 12.65 | 50.49 |
| | | TOTAL | 354.64 | 214.50 | 4.87 | | 333.02 | 907.03 |
| | | GRAND TOTAL | 1,438.90 | 596.05 | 92.34 | 44.84 | 1,182.70 | 3,354.83 |

FOLD BACK BOUND

MAPS
TOO
LARGE
FOR
FILMING

## V. R. R. EXHIBIT NO. 18. 8537

EXTRACT FROM ANNUAL REPORT OF BOARD OF DIRECTORS OF HIGH VALLEY RAILROAD COMPANY TO ITS STOCKHOLDERS FOR YEAR 1855.

(pp. 12-13)

The Little Schuylkill Company have in contemplation construction of a railroad commencing about 5½ miles north of Tamaqua and running west about 6 miles to the Valley of the Mahanoy, from this point (10 miles east of Ashland) it may be necessary to make two 8538
roads, one opening the Mahanoy and the other the Shenandoah and Shamokin regions. In a communication recently received from J. Edward Barnes, Superintendent Little Schuylkill Company, he says: "The first of these basins is about 15 miles long by ¾ wide. The second 20 miles long by 1 mile wide. The third is greater extent than either of the other. The coal of these several basins is of excellent quality, easily and cheaply mined, and has a large advantage over many other reasons from the fact of considerable portion of it being 8539
above water level. The capacity of these several coal beds is equal to at least 3,000,000 per annum, which would furnish business for several roads. New York is 153 miles from the western terminus of the Mahanoy and 160 miles from the western terminus of the Shenandoah (in which is situated the celebrated Ashland mines), while a considerable portion of the Shamokin basin can be reached without exceeding that distance. The distance from these coal deposits is less to New York via Lehigh Valley and Little Schuylkill Railroads, all the grades and other natural obstacles less than by 8540
any other route. The only outlet at present for 500,000 tons of coal which they are prepared to mine in the Ashland district is the Mine Hill Road, whose acknowledged capacity is 1,000,000 tons per annum, but whose active business this year with *great effort* reached 125,000 tons. They surmount the Broad Mountain (which at Ashland is the southern boundary of the coal basin) with two planes, whose aggregate length is 9,000 feet and elevation 700 feet."

York than the
8541 Tamaqua is some 7 miles nearer N[illegible] Railroad, this
first mine reached by the Beaver Meadow [illegible]nts per ton
will give them the advantage of about 20 [illegible] coal of
in market over the Beaver Meadow region upo[illegible] ship-
the same quality and will, I think induce a larg[illegible]
ment from that region.

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FROM LAKE REPORT FOR YEAR 1857.
(Page 23)

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8542 The peculiar location of the road is such as to com
mand a large trade with the least outlay of capital. [illegible]
Mauch Chunk it connects with the Beaver Meadow Ro[illegible]
by which it has access to the extensive and rapidly d[illegible]
veloping coal fields of the Upper Lehigh. The success[illegible]
the Beaver Meadow Railroad, now paying 10 per cen
per annum on its stock, is some assurance what t[illegible]
Lehigh Valley may do in a short time. At Bethleh[illegible]
we connect with the North Pennsylvania Railroad, a[illegible]
at Easton with the Belvidere Delaware and Central Ra
8543 roads of New Jersey, thus giving us the benefit of th
commanding outlets, all competing for the trade of
road, and saving us from the cost of expensive terma
arrangements.

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FROM LAKE REPORT FOR YEAR 1859.
(Page 33)

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The chief business of the Road is the transportat
8544 of Anthracite Coal; 74½ per cent. of the entire recei
being derived from that source. The relation of t
Lehigh Valley Road, therefore, to this great interest,
that which mainly engages the attention of its Sto
holders. We do not mean to disregard the ordina
freight and passenger traffic; but while giving th
departments all reasonable encouragement, the gene
arrangement and equipment of the work has refere
to the heavy transportation of coal and iron.

(Page 35) 8545

The remarkable position of the Lehigh Valley, in reference to the three great coal fields, with the New York and Eastern markets, is claiming the attention of all parties interested.

There is no question that the best outlet for a large portion of the Wyoming Valley is through Solomon's Gap, and thence to the Lehigh. Fifteen miles of railroad from *Penn Haven to White Haven* will give uninterrupted communication by rail from both Philadelphia and New York, thus giving an impetus to the trade 8546
heretofore unfelt.

Parties feeling a deep interest in that work have already taken steps towards its construction; thus placing its early completion as a probable result.

The Lehigh Valley Railroad will be benefitted throughout its entire length by the filling up of this link.

The *Lehigh Luzerne Railroad*, connecting the Hazleton Road with the Black Creek Valley, was finished during the year, by which a large and valuable field of superior coal was opened to the market. 8547

The feelings of the people of Schuylkill County, in regard to the value of the Lehigh Valley as an outlet, is evidenced by their earnest efforts to procure the completion of the East Mahanoy, Tamaqua and Lehighton, and Auburn and Allentown Railroads; all of which connect with the Lehigh Valley Railroad, and by it give to their respective regions the most direct route to New York.

The Delaware and Raritan Canal Company are now engaged in the erection of extensive facilities at Amboy for the transhipment of coal, which, when completed, will 8548
create additional inducements for trade to seek this direction to market.

The Central Railroad of New Jersey has increased its shipping capacity at Elizabethport to an extent that will meet the full requirements of the present trade in that direction.

The coal trade, after several seasons of depression, is now experiencing the invigorating effects of a healthy

demand, and we do not entertain a doubt that as much trade will be offered to us as our equipments will accommodate.

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FROM LIKE REPORT FOR YEAR 1860
(Page 46)

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Two routes have been examined for connecting the great Mahanoy coal field with our road, thence to Trenton and New York by the Belvidere Delaware and Central Railroads. The first by way of Mahoning Valley to Tamaqua thence by Little Schuylkill and East Mahanoy Railroad, requiring 17 miles of new road, at a cost of say $400,000. The second is by way of Beaver Meadow and Quakake Railroads, thence into the eastern end of Mahanoy Valley, requiring four or five miles of new road at a cost of say $75,000. The first named route will give us a good connection with the Schuylkill Valley and with the Sunbury and Erie via East Mahanoy and Mt. Carmel Railroads to Sunbury. The completion of the several links spoken of forming the connection, between the rich valleys of the Schuylkill and Susquehanna, and the cities of Philadelphia and New York, will have the effect of placing the Lehigh Valley Railroad foremost in the great carrying lines of the country.

Our local coal trade has increased handsomely during the year just passed, and an early adjustment of the political and financial difficulties of the country will enable me at the close of another year to record a still greater increase. There are now four first class blast furnaces and two rolling mills in the course of erection, which will consume about 100,000 tons of coal annually, all of which, together with portions of the ore, limestone, etc., and the product of the furnaces, may be secured to our road.

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FROM LIKE REPORT FOR YEAR 1861
(Page 50)

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The decrease in coal receipts is due to lower rates prevailing most of the season, and to a larger portion

of the tonnage being used on the line of the road, and 8553
therefore transported shorter distances.

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(Page 55)

Our business relations with the several connecting roads has been harmonious and pleasant. A location has been made for the extension of the Quakake Railroad into the Mahanoy and Shenandoah coal basins. It is proposed to build ten miles from the junction, six of which will be over coal. It can be completed at a cost 8554
of say $150,000. Measures are being taken that will secure the building of it at an early day. It will, I think, add largely to our coal tonnage. A charter has been secured and location made for a railroad from Mauch Chunk to the Mahanoy tunnel and North Mahanoy basin via Nesquehoning Valley. It is intended to be built by parties owning the canal between Mauch Chunk and tide-water, but a connection with our road at Mauch Chunk will secure to it the tonnage during the winter season at least.

The coal from Mahanoy Valley via the tunnel destined 8555
for New York water, can only be secured during the entire season, by our building the Mahoning branch. This, I believe, the true interests of the Company demand, and should be done speedily.

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FROM LAKE REPORT FOR YEAR 1862

(Page 11)

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It is expected that the Schuylkill Haven and Lehigh 8556
River Rail-road will be completed within the year 1863. This, with the great desire of the Schuylkill coal operators to reach New York waters by a continuous rail route throughout the year, will without doubt, induce a large coal tonnage.

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(Page 75).

Since the date of my last report the work of extending the Quakake Railroad into the Mahanoy coal basin

8557 has progressed favorably, and it is expected to open the road as far as Mahanoy City in the spring, when we may expect an addition to our coal tonnage from that region.

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FROM LIKE REPORT FOR 1863.

(Pages 82-83).

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The furnaces and rolling mills erected in the valley
8558 during the past year have had the effect of increasing the amount of coal used on the line of the road, about 49 per cent. This will probably be still further augmented, as additional furnaces and mills are building. The multiplication of manufacturing establishments in our valley not only increases the consumption of coal, but adds largely to the other branches of our business, as is shown by our increased receipts from passengers and freight.

Early in the fall a corps of engineers was put in
8559 the field to ascertain the feasability of a railroad line from the top of Wilkes-barre Mountain at Solomon's Gap, running west to the coal fields of Hanover and Newport Townships. A good route was got with grades of about 90 feet per mile against the trade. The grade is heavy, though but little, if any, more than that of the Delaware, Lackawana and Western, while the elevation to be overcome is 300 feet less than via Scranton. A good location for inclined planes was found about two miles west of those of the Lehigh Coal and Navagation Company. It may be desirable to go still fur-
8560 ther west with the planes, though no examinations have yet been made to ascertain if suitable ground could be had. The coal designed to be reached has been almost entirely undeveloped and may probably remain so for some time unless the road in contemplation is built. When done it will increase the amount of tonnage from Wyoming Valley via the Lehigh route and should, therefore, be looked upon favorably by the various companies composing the lines to market.

The Lehigh and Mahanoy Railroad was formally 8561
opened to Mahanoy City on the first of September, since which time 9,046 tons of coal passed over it to the Lehigh Valley Railroad; about equal to the tonnage of our road during the corresponding months of 1855. It is hoped that the increase from Mahanoy in the coming eight years may keep pace with that of the Lehigh Valley during the past eight. In November its extension to Centralia was put under contract, making a main line from Catawissa Junction of 20 miles, with three branches of about 2½ miles each; all of which 8562
but about 4 miles is within the coal measures. There remain about 4 miles to build in addition to that now being graded to reach Mount Carmel, where it will connect with the Mount Carmel and Sunbury Railroad, thus forming a continuous rail communication between the Lehigh at Penn Haven and the Susquehanna at Sunbury. Its completion cannot fail to bring a very large tonnage to the Lehigh Valley and its southern and eastern connections.

The Lehigh Coal and Navigation Company are 8563
building a railroad from their chutes to connect with our road at the iron bridge, one mile below Mauch Chunk, with a view of shipping coal from their mines during the close of navigation.

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From Like Report for Year 1864.

(Pages 5, 6, 7).

Since the last Annual Report this Company has incorporated with itself, the Beaver Meadow Railroad 8564
and the Penn Haven and White Haven Railroad. The consolidation and merger of the Beaver Meadow Company with ours, was by agreement entered into by the Directors of the two companies on the 18th of June last, acting under the authority of the Law passed by the Legislature of Pennsylvania, on the 16th of May, 1861, entitled an "Act relating to Railroad Companies;" the said agreement was submitted to a meeting of the Stockholders of the respective companies called for

8565 that purpose on the 5th and 6th days of July last, and the consolidation and merger was unanimously ratified and adopted by the Stockholders of both companies, and was filed in the office of the Secretary of the Commonwealth, at Harrisburg, on the 8th day of July, and thereupon the consolidation and merger of the two companies, was accomplished according to law.

The Beaver Meadow Railroad with double track extends from its junction with our road at East Mauch Chunk up the Lehigh River to Penn Haven, and from
8566 thence to the Beaver Meadow and adjoining mines in Carbon County, and to Honey Brook Colliery in Schuylkill County, a distance of about 24 miles. By the union of the two companies in one corporation we become owners of a considerable body of Coal Land near Beaver Meadow village, which formerly produced large quantities of the best Anthracite Coal; we also became thereby legally possessed of all the rights, privileges and franchises theretofore vested in either company.

*The Beaver Meadow Company though authorized by charter to mine and sell coal, has long since ceased to*
8567 *exercise the right to do so, and this company sees no reason to change that policy.*

By virtue of the authority of the said act of 16th May, 1861, similar arrangements were entered into with the Penn Haven and White Haven Railroad, that Company having completed a railroad along the Lehigh River from its junction with the Beaver Meadow Road just below Penn Haven to White Haven, a distance of about seventeen miles. Articles of consolidation and merger were entered into by the Directors of the respective companies
8568 on the 12th of July last, and submitted to the Stockholders on the 2d of August, and the same was unanimously ratified and adopted by both companies, and filed according to law, on the 5th of August, in the Secretary of the Commonwealth's office. By which acts the three several Railroad Companies became one Corporation under the corporate name of the "Lehigh Valley Railroad Company." The railroads thus incorporated extend from the east bank of the Delaware river at Phillipsburg, along the valley of the Lehigh River from its mouth to White

Haven, a distance of 71 miles, main stem, and the Beaver 8569
Meadow branch from its junction with the main road below Penn Haven to the Collieries, 17 miles, making 88 miles of railroad nearly all double track with extensive sidings and turnouts. At Penn Haven we also connect with the *Hazleton Railroad.* That road extends into the Hazleton and Black Creek coal fields. At White Haven we connect with the railroad to Wilkesbarre, from which we receive, beside the ordinary freight and passenger traffic, a considerable amount of coal and lumber, with a prospect of a very large increase, this being the shortest 8570
and best railroad route from the Wyoming Valley to Philadelphia or New York.

Thirteen miles above Mauch Chunk the *Lehigh and Mahanoy Railroad* connects with our Branch Road to Beaver Meadow, and extends from thence westwardly into the great Mahanoy coal field, and is already opened some 26 miles, furnishing us with considerable coal tonnage, and as it is being extended further into the coal basins of that region, promises to be one of our most valuable feeders. By our own branches and the several rail-
roads connecting with ours, we reach the coal in the 8571
Mahanoy, Beaver Meadow, Hazleton, Black Creek and Wyoming coal fields, from all of which we receive a large coal tonnage. Our extension to White Haven has also opened an extensive trade in lumber, and all of the extensions alluded to tend to swell our miscellaneous freight and passenger business, so that since these avenues have been opened our receipts have greatly increased over the corresponding months of the previous year.

(Page 18)

8572
The Lehigh and Mahanoy Railroad has been extended westward to Shenandoah, and the graduation and masonry between there and Centreville is well advanced, the location thence to Mount Carmel has been made; it is expected that during the coming summer the connection will be made with the Sunbury and Shamokin Valley Railroad, thus forming a favorable connection with the Philadelphia and Erie Railroad, and opening an immense coal territory that must eventually pour a very large ton-

8573 nage down the Lehigh Valley; the passenger and merchandise freight traffic will grow with the coal tonnage, thus adding largely to these rapidly increasing branches of the business.

(Page 19)

Nothing has been done since the date of my last report toward the extension of the Lehigh Valley Road into Wyoming Valley, this cannot be much longer deferred without endangering our claims upon that region for a portion of its business.

8574

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From Like Report for Year 1865.

(Pages 5-6).

In view of our inability to make a satisfactory arrangement with the Lehigh Coal and Navigation Company, for the transit of coal over their road from the Wilkesbarre region to our road at White Haven, it was deemed essential to the interests of that region, as well as to our own, that the coal from the Wyoming should
8575 have easy access to market by the Valley of the Lehigh. After mature consideration, and in accordance with their original design, the Board deemed it advisable to extend our White Haven road to the great Anthracite coal field of Susquehanna. To enable the Company to accomplish that important object, it was concluded to increase the capital stock to an amount equal to that undertaking. It was accordingly resolved that the Stockholders should be allowed to subscribe at par for twenty per cent. additional to the stock held respec-
8576 tively by them, and to pay for the same in regular monthly instalments to meet the estimates of the contractors.

Circulars were accordingly issued to the Stockholders, advising them of their rights under the resolution aforesaid, and there has been already a response so general as to warrant the expectation that nearly the whole amount authorized will be subscribed for within the time fixed—to wit, the 15th of January, instant—and thus the capital stock, after the 15th of Oc-

tober next, will be increased about 26,000 shares, and 8577
thus add some $1,300,000 to the capital, which is nearly the estimated amount of the cost of the work. After the main line is completed, branches to coal mines will no doubt be required, which will add somewhat to the cost, but the Board feels satisfied that all can be accomplished with the resources of the Company, without further increase of capital on that account.

The Lehigh and Mahanoy Railroad Company, whose southeastern terminus connects with our road thirteen miles above Mauch Chunk, is extending their road west- 8578
ward into the great Mahanoy coal field, sending out branches to the various collieries on their line, and will very soon connect the main line, 40 miles long with the road already built between Mount Carmel and Sunbury, which will then form a part of the shortest and best railroad route from Lake Erie to New York—the Lehigh and Mahanoy forming 40, and the Lehigh Valley 59 miles of that route. Our interest in the Lehigh and Mahanoy Company is large, owning, as this Company does, 6,800 shares of its capital stock, worth at par 8579
$340,000, on which regular dividends of six per cent. per annum are paid, with a fair prospect of earning much larger dividends; the want of sufficient rolling stock has rendered that Company unable to carry nearly all the coal constantly offering for transportation. The Directors of that Company are making provision to do a much larger business the coming season than they have heretofore been able to accommodate.

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(Pages 11-12). 8580

The work upon the Morris and Essex R. R., has been pushed forward with energy. The track was laid to the eastern end of our bridge, where a temporary connection has been made, and about 500 tons of coal shipped forward. The road is still incomplete, and we must not expect an outlet for a very large tonnage in the early part of the coming year; but, as the season advances, we may hope that the beneficial effects of this additional avenue to tide will be felt. This Company

8581 are providing a large number of coal cars and locomotives for the trade. This year the Morris Canal Co. have increased their shipments from Port Delaware very largely over any preceding year. They design making considerable additions to their pockets, this winter, thereby giving additional vent to our tonnage.

During the past Summer, the location was completed for the extension of our road into Wyoming Valley.

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8582 FROM LIKE REPORT FOR YEAR 1866.

(Page 5).

Though the charges on Coal Transportation have been considerably reduced, the cost of conducting the business has remained about the same as last year; no important reduction in either wages or the cost of materials, with few exceptions, has occurred during the year just closed.

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(Pages 6-7).

8583 Judge Packer, having purchased a controlling interest in the North Branch Canal, extending from Wilkesbarre to the New York State Line, a distance of over one hundred miles, with a charter from the Commonwealth authorizing the Company to change its corporate title to the Pennsylvania and New York Canal and Railroad Company, and to build a railroad on either bank of the canal its entire length, offered to transfer his interest to this Company, which met the approbation of the Board. The canal is in fair order, valued
8584 in this arrangement at $1,050,000, over three-fourths of which is embraced in the purchase.

It is the intention of the Directors, under the charter of that Company, if approved by the stockholders, to aid in the construction of a railroad connecting with the Lehigh Valley road near Wilkesbarre, along the banks of the river and canal to the New York State line. The gradients are so easy, and the work so light—the right of way being already secured—that, after a careful examination, it is estimated that a single track can be completed, early

in 1868, at a cost not exceeding $20,000 per mile. It is 8585
therefore proposed to offer to our stockholders the right to subscribe for one share of new stock, at par, for every five shares they now hold, to be paid for in instalments.

When this road is completed, the Lehigh Valley Railroad will be in a position to carry coal to Northern as well as Southern markets, on as favorable terms as any other route. The New York and Erie Railroad Company propose to lay a third rail, narrow gauge, from our junction near Waverly to Owego, from which point a railroad is under construction to Sodus Bay, (now called Fair 8586
Haven) the best harbor on Lake Ontario. Other railroad routes are projected to connect with us, that will offer facilities to reach important points from Albany in the east to Buffalo in the west. *Though the Coal trade is the prominent object in the undertaking, there is no doubt that the general Freight and Passenger business would alone justify the building of the road. In fact, it is deemed the best unoccupied railroad route in the State of Pennsylvania.*

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FROM LIKE REPORT FOR YEAR 1867. 8587

(Page 3)

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The charges for carrying coal, during the year, were twenty per cent. less than in the previous year. Notwithstanding the reduction, the increased tonnage and mileage have brought up the receipts on coal tonnage to within $244,583.48 of the previous year. The necessity for this reduction did not result from competition in our immediate region, but from the reduced price coal sold 8588
for in New York by the companies in the Wilkesbarre and Lackawanna regions, who combine the privileges of mining and carrying coal to New York, and who sold at public auction large quantities of coal in that market, at prices that obliged us to offer to our customers very low rates of freight, unless we had allowed them to be excluded to a great extent from that the largest market for anthracite coal in the country.

8589 (Pages 4-5)

The Lehigh Valley Railroad now completed and in operation, extends from Easton to Mount Carmel, 100 miles; from Easton to Wilkesbarre, 101 miles; from Easton to the extension of the Beaver Meadow Branch, 70 miles—of which more than 60 miles are double track, with extensive sidings and turnouts, equal in aggregate length to a third track——making over 300 miles of single track, including sidings—reaching to the important coalfields of Mahanoy, Wyoming and Beaver Meadow; and, by a con-
8590 nection with the Hazleton Railroad, we receive large supplies of coal tonnage from that and the Black Creek coal basin.

(Page 20)

In view of the large and rapidly increasing northern market, the ample means being provided for distribution of coal therein, the necessity for tonnage for our road, and of the manifest tendency of the active mining and transporting companies now operating in Wyoming to absorb and control large bodies of the most available coal
8591 territory, for future use, and the product of mines now opened to swell their present tonnage, it becomes a question for very serious consideration, whether such precautionary measures should not be adopted as will secure, beyond a doubt, ample tonnage for our northern improvement.

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From Like Report for Year 1869.

(Page 22)

8592 The very limited facilities for transferring coal to Lake vessels from any of the railroads entering Buffalo, made it necessary to make such provision as would guard the interest of our line in that direction. To do this we have subscribed to 34/40 of the stock of the Buffalo Creek Railroad Company, and commenced the work of construction. The road named will be about 3½ miles long, and will connect all the railroads entering Buffalo (except the Niagara Falls Railroad) with the harbor at a convenient point for the erection of wharves and other

facilities for the transfer of coal and other commodities 8593
from cars to vessels, or vessels to cars.

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FROM LIKE REPORT FOR YEAR 1870.

(Page 10)

The anthracite coal tonnage of our road for the past year has been heavier than ever before, and exceeded that of any other road in the country. The rates of transportation averaged ⅛-Ct. per ton per mile less than last year.

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FROM LIKE REPORT FOR YEAR 1871.

(Pages 6, 7, 8)

Our Coal Trade has suffered for some years from the want of an independent outlet to tide water. As a partial remedy your Board, early in the year, concluded a perpetual lease of the property of the Morris Canal and Banking Company, by which we came into possession of a line of Canal 102 miles in length, extending from our Rail Road at Phillipsburgh to Jersey City, with a Basin 8595
of about 60 acres, having a frontage of 1500 feet on the North River directly opposite the City of New York, and also of much valuable property at other points; together with the equipment of boats, mules, etc., etc., necessary for its operation. We assume the payment of interest on their indebtedness; of dividends averaging seven per cent. per annum on the Preferred and Consolidated Stocks; of the Annual Payment of $25,000 to the State of New Jersey, and of a small sum for the maintenance of their organization, amounting in all to $256,000 per an- 8596
num. Although the business done this year—owing to the stoppage of shipments, consequent upon the strike at the Mines—will fail to produce an income equal to the rent, yet the Board are satisfied that the Lease will result advantageously to this Company. This has been experienced already in the greatly increased capacity for tonnage over our main line, without material increase of Rolling Stock, in consequence of our being able to discharge the cars into boats at the end of our road and return them at once to the Mines.

8597 In pursuance of the same policy this Company has also obtained an interest in the New Jersey West Line Rail Road Company, whose Road is now open from Summit Station on the Morris and Essex Rail Road to Bernardsville, about 14 miles, and of which 13 miles more are expected to be opened to Newark during the coming Spring. The Charter of this Company reaches to the Delaware River near Milford, N. J., but no arrangements have yet been made for the extension of the Road west of Bernardsville.

8598 An extension of the Hazleton Branch into the Valley of Black Creek has just been opened for about nine miles to a junction with the Danville, Hazleton and Wilkesbarre Rail Road; thus making, in connection with that Road, an alternative route to Sunbury and intermediate points, and affording an additional eastern outlet for the business of the Philadelphia and Erie Rail Road at Sunbury. A large body of valuable Coal Lands, heretofore undeveloped, can find a market for their produce over this extension.

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8599 (Page 19)

The extension of the Hazleton branch down Black Creek to a connection with the Danville, Hazleton & Wilkes Barre R. R. (9 miles from Hazleton), was put under contract early in the year and is just completed. By this route Danville is reached in 42 miles, Sunbury in 54 miles and Lewistown on the Pennsylvania R. R. in 104 miles from Hazleton.

8600 Very little has been done during the present year toward the development of the coal in Black Creek Valley, but it cannot be long before a large coal tonnage will be offered for transportation from this basin, now fully opened, to all markets by the completion of the extension above named.

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From Like Report for Year 1875

(Page 16)

The work on Easton & Amboy R. R. was so far completed as to permit the passage of a coal train from

Phillipsburg to Perth Amboy, May 28th, consisting of 125 loaded cars, which was hauled by one locomotive, with assisting engine to the tunnel, from Phillipsburg to Perth Amboy, 60 miles, in 6½ hours. 8601

An excursion train, consisting of railroad officials, coal operators, representatives of iron-works and of the press, passed over the line June 22d, and on the 28th of the same month the road was formally opened for traffic and travel, being operated as the "New Jersey Division" of the Lehigh Valley R. R.

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8602

From Like Report for Year 1876

(Page 8)

It may interest the stockholders to know that neither the lands owned by us nor those owned by the Lehigh Valley Coal Company, are subject to any bonded or other debt. The only guarantee of this Company, in connection with our coal interests, is that of the bonds of the Delano Land Company, covering 5229 acres of coal land in Schuylkill County, with eight collieries in operation and amounting to $1,697,000, of which $312,000 are owned by us. 8603

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(Pages 18, 19, 20)

Coal pier "C" and trestle approach, under way at date of last report, has been completed and is in use. The freight pier alluded to has been enlarged and finished. It is 800 feet long and 65 feet wide. A new pier, used principally in the shipment of pig iron, rails, etc., 800 feet long and 75 feet wide, has been completed. A large amount of filling has been done on the meadows approaching the different piers, for the purpose of making storing ground for coal, and for laying tracks approaching the freight piers. That portion underneath the trestles approaching the coal pier has been planked over, and partitions have been put in the trestling for separating the various sizes, and ownerships of coal necessary to be stocked. Some planking is still required, which, when completed, will give us stocking capacity 8604

8605 for 200,000 tons of coal. All the canals adjoining the piers have been dredged to a depth of 16 feet at low water.

There is little work yet to be done at Perth Amboy to complete all the improvements now contemplated.

A large coal depot has been erected at Newark, at the intersection of Broad Street with the Pennsylvania Railroad, for the purpose of supplying a portion, at least, of the city's consumption.

Cars are hoisted by a stationary engine up an incline,
8606 and run by gravity over the several tracks on the structure. The coal is dumped into the different bins, of which there are 168, of an aggregate capacity of about 9,000 tons. Wagons and carts pass under the platform, and the coal is drawn from the bottom of the bins over screens directly into them, so that no extra handling is required. The whole cost of the structure, including land upon which it stands, and all the appurtenances, was about $60,000.

At several points upon our road the supply of water necessary for our locomotives failed wholly, or in part,
8607 during the summer. Much difficulty was experienced on Wyoming Division, which has been partially overcome by the erection of additional water tanks. At Rockdale we were forced to put in a steam pump to obtain a supply. Arrangements were made with the owners of a small stream between Rockdale and Slatington for a supply, and a tank and stand pipes erected. Much of the water of the New Jersey Division is muddy at times, and affects injuriously the boilers and flues of our locomotives. At Metuchen a large well will have to be sunk,
8608 as the only means of obtaining pure water. The large well sunk at Amboy has failed to yield a full supply. Measures will have to be taken to obtain sufficient for the locomotives, and provision be made for extinguishing fires, should any occur, on either of the coal piers.

During the past year the expense of transportation, southward from Wyoming Valley, has been largely increased by the delays incident to the use of a single track between Sugar Notch and Fairview.

Division Superintendent Mitchell, reports that an increased amount of labor from each engine and man, equal to 33 per cent., might reasonably be expected, with the addition of a second track between the stations above named. The building of the line from Fairview to Lackawanna Junction would accomplish the same result, and effect a still larger saving due to the lighter grade per mile, and shorter distance. The line, as located, is about 17 miles from Lackawanna Junction to Fairview with a maximum grade of 74 feet per mile on tangents, and reduced to that equivalent on curves. The distance saved on all traffic from the north would be 9¾ miles, and this would apply to the east or south bound coal from Exeter and our Everhart lands, and would offer less grade and some saving in distance to all coal traffic, as far down the valley as Prospect. This line would also open considerable coal territory belonging to our company, as well as to others now without an avenue to market. The estimated cost of it is $1,250,000, while the double tracking of our present line between Sugar Notch and Fairview would not probably exceed $500,000. But in view of the fact that a very large accession to the east bound coal tonnage may be expected from year to year, and taking into consideration the continuous saving of distance on all our traffic from the north and west, as well as on coal that centres at Pittston, I think the larger amount should be expended. I would recommend that the work be begun the coming year, as all expenditure for double tracking our present line between Pittston and Fairview will be unnecessary, if the other line is ever built. The alternative of a system of inclined planes over the mountain has been considered. They would cost less than the cut-off line, and if our traffic was confined to coal, I would prefer that mode of overcoming the difficulty to either of the other plans. But with our large, varied and growing traffic from the north and west, and other considerations, I am prepared to recommend the cut-off line.

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8613 FROM LIKE REPORT FOR YEAR 1877.

(Page 5)

The continued low price of coal has made necessary a further reduction in the rates of transportation, and has correspondingly reduced our gross income, the average rate of tolls from Mauch Chunk to Perth Amboy having been for 1877, 98¾ cents as compared with $1.70 5/12
8614 for the previous year.

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(Page 12)

The increased earnings however were only 9.44 per cent., as the receipts per ton per mile decreased .22 of a cent. The rates are now lower than in any previous year in the history of our road, and show a steady decline from the year 1867 amounting to 1.51 cents per ton per mile,—in other words the rate per ton per mile obtained
8615 in that year applied to the tonnage of this year would have yielded more than double this year's revenue from this source.

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(Page 22)

The protracted strike of the miners in Wyoming Region, from which our tonnage is derived principally, involved irregularity in our business, and prevented so great a reduction in the operating expenses as would otherwise have resulted. The lower rates obtained for transportation of coal, and the great falling off in travel, reduced the income from both those sources, in the
8616 aggregate $173,996.92.

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FROM LIKE REPORT FOR YEAR 1880.

(Pages 22-23)

The handsome increase of tonnage over the Morris Canal, shows its importance to this Company as an avenue of distribution of coal. The receipts derived from this branch of our system of works show an increase of 56.80 per cent.

Dock facilities are much in demand in Jersey City, both for our own and general business. I would, therefore, recommend that a portion of the large and valuable waterfront owned by our Company be improved during the coming season to such an extent as to meet the wants at that point. 8617

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FROM LIKE REPORT FOR YEAR 1890.

(Page 16)

The Schuylkill and Lehigh Valley Railroad, operated by us as the Pottsville Division, was put in operation to Schuylkill Haven and Pottsville on August 18th, 1890, and on September 15th, 1890, the line was opened from Schuylkill Haven to Blackwood, and the first coal train brought out, it being the thirty-fifth anniversary of the hauling of the first coal train over the main line of the Lehigh Valley Railroad between Mauch Chunk and Phillipsburg. 8618

This line, giving us access to the important valley of the Schuylkill, opens up to our system a large area of coal lands tributary to our interests, and should in the near future contribute largely to the revenues of our company. 8619

The shipments this year from the Blackwood Colliery of Lehigh Valley Coal Company will probably reach 100,000 tons, and other improvements are under way and in contemplation which will be completed before the end of the year.

The track has been further extended to a connection with the People's Railway, over which trackage for all classes of our trains has been secured, giving us an entrance into Minersville, and to all points on that road, and also into Pottsville from Blackwood and neighboring collieries. 8620

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FROM LIKE REPORT FOR YEAR 1891

(Page 10)

The seven per cent. bonds of the Delano Land Company, issued twenty years ago to the amount of $1,-

8621 900,000, guaranteed principal and interest by the Lehigh Valley Railroad Company, matured January 1st, 1892. Those not retired by the sinking fund have been replaced by $1,200,000 of five per cent. bonds with the same guarantee issued under a new mortgage. The interest and sinking fund of these bonds are provided for by the income of the Delano Land Company from royalties on coal mined from their property.

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(Page 11)

8622 In other words, the increase in miscellaneous freights carried one mile was nearly six times as great as the increase in ton miles of anthracite coal, and the earnings therefrom were in about the same ratio. As was stated in the last report, the unequal demand for anthracite coal largely restricts the production during at least two-thirds of the year, whilst the producing and transportation capacity and equipment must be maintained equal to the requirements of the active season.

8623 The effect of such restrictions is, perhaps, best illustrated by the statement that although there was an increase in anthracite coal marketed during the year 1891 of more than 4,500,000 tons, out of 55 collieries owned by or operated in the interest of this Company, 6 were idle during the entire year; and those operated by the Lehigh Valley Coal Company in the Wyoming region worked only 142 days, and those in the Lehigh and Mahanoy regions only 152 days.

There has been for many years a decline in the average rate per ton on anthracite coal, from 96 cents in

8624 1888 to 90 cents in 1889, 85.3 cents in 1890, and in the past year to 81.89 cents. The rate per ton per mile has shown corresponding falling off, from .981 cent in 1888 to .849 cent in 1889, .841 cent in 1890, and in the past year to .832 cent.

These reductions are due mainly to shorter hauls and to increased tonnage of the smaller sizes of steam coals, which are carried at reduced rates.

The loss in revenue thus occasioned had directed the attention of your management to the desirability of in-

creasing the business of the road in other directions as well as to an increase in its coal tonnage. 8625

The miscellaneous freight tonnage has increased under this policy

| | | | |
|---|---|---|---|
| From | 3,633,178 | tons in | 1888 |
| to | 4,205,713 | " | 1889 |
| | 4,971,706 | " | 1890 |
| | 5,230,913 | " | 1891 |

and was only limited during the latter part of the past year by lack of proper equipment and facilities.

8626

(Page 12)

The extension of our road by the construction of the Schuylkill and Lehigh Valley Railroad will open up a very large tonnage of anthracite coal tributary to our lines. Its development has been slow because of our other sources of supply, but the operations of the Lehigh Valley Coal Company in that territory have demonstrated a far larger yield therefrom than was expected.

The coal storage plant at South Plainfield, spoken of in last year's report, has been completed and in operation several months, and gives promise of a reduction in the cost of handling the coal that under past and existing practice in the trade requires storing at certain periods of the year. There are seven groups of storing floors, two floors in a group, with an aggregate capacity of 310,000 tons. The first coal was dumped July 14th, 1891, since which time 86,902 tons have been received, and 17,089.04 tons shipped up to November 30th. 8627

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FROM LIKE REPORT FOR YEAR 1892. 8628

(Page 12)

The total amount advanced at different times by that Company to the Coal Company for lands, improvements, advanced royalties, etc., exceeds $15,500,000, which has been reduced from time to time by the operations of the Coal Company to about $11,500,000. This has been further provided for by five per cent. bonds secured by a mortgage, with sinking fund, on the property of the Coal Company in the counties of Lackawanna, Luzerne, Carbon, and Northumberland. These bonds ma-

8629 ture in 1933, and both principal and interest are payable in gold.

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From Like Report for Year 1893.

(Pages 12, 13, 14).

Arrangements have been effected during the past autumn for the interchange of business with the New York, New Haven and Hartford Railroad by transfer of cars on floats between Jersey City and the Harlem
8630 River. This opens to the operators on our line a large and valuable territory for delivery of coal direct from the mines in cars throughout the New England States, in addition to that previously accessible by the Poughkeepsie Bridge route. Miscellaneous freights between New England and the West are also being interchanged by the same route.

About the time your management undertook the construction of the new lines to Buffalo and New York Harbor, and the purchase and improvement of the terminals at tidewater and Buffalo, your attention was di-
8631 rected to the loss of revenue from the transportation of anthracite coal and the consequent necessity of increasing other kinds of traffic by new connections and enlarged facilities. So great has been the loss referred to, that while in 1888 the total anthracite coal tonnage was 8,650,826 tons, the gross revenue from which was $10,319,804, in 1893, with a total tonnage of 11,477,630 tons, the revenue was $9,084,319.52, a loss of $1,235,-489 revenue, with an increase in total tonnage of 2,826,-804 tons. The following table exhibits the course of
8632 this business during the past six years, and shows that while the tons carried one mile have in this period increased between four and five per cent., the resultant revenue has decreased nearly twelve per cent.:—

Anthracite Coal Traffic.

| | NET TONS ONE MILE | PER NET TON PER MILE | EARNINGS |
|---|---|---|---|
| 1888 | 1,051,967,822 | .981 cent. | $10,319,804 33 |
| 1889 | 1,001,194,520 | .849 " | 8,500,141 47 |
| 1890 | 937,363,086 | .841 " | 7,883,223 55 |
| 1891 | 1,025,069,657 | .832 " | 8,528,579 55 |
| 1892 | 1,106,066,034 | .829 " | 9,169,287 42 |
| 1893 | 1,100,454,044 | .826 " | 9,084,319 52 |

During the same period the miscellaneous freight tonnage increased from 3,633,178 tons in 1888 to 4,951,782 tons in 1893, and the revenue thereon from $3,645,022.87 to $6,009,420.73, notwithstanding the loss of 706,000 tons and $460,000 revenue from this source, as heretofore stated, compared with 1892, due to the extreme depression in railroad traffic common to all through lines, and to the strike. 8633

The following statement shows the course of this business, and the large increase both in tons carried one mile and in the resultant revenue, this development being due to the extension of our lines and the encouragement given to miscellaneous freights between the seaboard and the West:— 8634

MISCELLANEOUS FREIGHT TRAFFIC.

| | NET TONS ONE MILE | PER NET TON PER MILE | EARNINGS |
|---|---|---|---|
| 1888 | 421,877,647 | .864 cent. | $3,645,022 87 |
| 1889 | 594,201,206 | .730 " | 4,337,668 80 |
| 1890 | 744,550,288 | .701 " | 5,219,207 52 |
| 1891 | 846,678,263 | .702 " | 5,943,681 41 |
| 1892 | 1,081,890,634 | .598 " | 6,469,705 99 |
| 1893 | 927,022,609 | .648 " | 6,009,420 73 |

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(Pages 17-18)

Of the bonds of the Coal Company secured by the mortgage of 1892 for $12,000,000, as stated in the report a year ago, $4,000,000 have been guaranteed by the Railroad Company. $1,500,000 of these have been sold to individual coal operators, at par and interest. The remaining $2,500,000, and the balance of the issue under the mortgage, $8,000,000, ($10,500,000 in all), have been taken by the Lehigh Valley Railroad Company in discharge of indebtedness of the Coal Company. These bonds form a valuable asset of the Railroad Company, available for future extensions and developments of our railway lines and auxiliary properties. A part of these are in use as collateral for the floating debt of the Railroad Company, which amounted at the close of the fiscal year without deduction of cash on hand, to $3,870,000. 8636

8637 FROM LIKE REPORT FOR YEAR 1894.

(Page 11)

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It has been a matter of much disappointment to your officers and to all interested that the trade conditions of the country have not so improved as to produce net earnings sufficient to justify the resumption of dividends. These conditions are clearly reflected in the tonnage and revenue statements already submitted. While the total
8638 tonnage of the past year shows a decrease of 653,693 tons, or nearly 4 per cent., the tons carried one mile (the true test of transportation service rendered) increased 103,098,958 tons, or over 5 per cent.; yet the transportation earnings from all sources decreased over $1,250,000, as compared with those of the previous year.

The condition of the anthracite coal trade, upon which the Company is so largely dependent, has been particularly bad—worse during 1894 than in the previous year, and especially so near the close of the fiscal year. It will
8639 be noted in the foregoing table of rates realized per ton per mile for transportation of all classes of freight during the year, that the rate in 1894 was 76/1000 cents per ton less than in the previous year. This upon the tonnage carried was more than $1,600,000, or 4 per cent. upon the capital stock of the Company.

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(Page 12)

Of a total tonnage of anthracite coal during the year,
8640 amounting to 11,103,157 tons of 2000 pounds each, 2,321,390 tons were of coal hauled in the trains of other companies over our tracks, much of it very short distances; 878,180 tons were of coal for use of our own locomotives; and 511,313 tons were of coal in our own trains, giving a short lateral haul between the mines and junctions with other lines controlling the transportation of the coal. These items together constitute 33 4/10 per cent. of the total anthracite tonnage of the year, leaving a tonnage of 7,392,274 tons of 2000 pounds each distributed to local

points in our own territory and to terminal points and junctions other than those in the immediate neighborhood of the mines. For the detail of this distribution reference is made to a table appended to this report. 8641

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(Page 14)

Arrangements were effected early in the year, whereby loaded cars were delivered without transfer of lading to the New York, New Haven and Hartford Railroad Company at our Jersey City terminal for transfer to the lines of that Company at the Harlem River and distribution over the large territory tributary thereto. This has opened up a large area for the supply of coal by operators located on our line as well as for the agricultural products of the West received from connecting water and rail lines at Buffalo and Suspension Bridge. The interchange of business under this arrangement has increased to such volume that it has recently been found necessary to provide two additional bridges at the Jersey City terminal for the transfer of cars to floats, the construction of which is now in progress. 8642 8643

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FROM LIKE REPORT FOR YEAR 1905.

(Pages 14-15).

During the year your Board authorized the issue and sale of $20,100,000 General Consolidated Mortgage Bonds bearing interest at the rate of four per cent. per annum, under the mortgage dated September 30th, 1903, mentioned in the last annual report. The bonds were sold and the proceeds used to retire the Lehigh Valley Railroad Company Mortgage and Collateral Trust five per cent. Bonds, The Lehigh Valley Coal Company Five-Ten Year Coal Pledge five per cent. Bonds, the Lehigh Valley Railroad Company National Storage Company four per cent. Trust Certificates and to partially reimburse your Company for capital advances heretofore made. 8644

8645 The outstanding five per cent. bonds due May 1st, 1997, issued under the Mortgage and Collateral Trust Deed of May 1st, 1897, were called for redemption May 1st, 1905, at par with seven and one-half per cent. premium. The Mortgage and Collateral Trust Bonds in the hands of the Trustee under the National Storage Trust Agreement were returned to this Company and together with those held in your treasury were cancelled. All of the collateral pledged has been released from the lien of the mortgage and the same has
8646 been satisfied of record.

The $2,000,000 Five-Ten Year five per cent. Coal Pledge Bonds of The Lehigh Valley Coal Company, issued under Trust Agreement, dated November 21st, 1902, were called for redemption at par and two and one-half per cent premium December 1st, 1904.

$5,000,000 National Storage Company four per cent. Trust Certificates were purchased and cancelled and the collateral pledged thereunder returned to the treasury.

8647 The $5,000,000 Lehigh Valley Coal Company Second Mortgage Bonds and the $1,844,000 Hazleton Coal Company Bonds owned by the Lehigh Valley Railroad Company and formerly held as collateral under the Mortgage and Collateral Trust Deed, as well as the $2,000,000 Lehigh Valley Coal Company Five-Ten Year Coal Pledge Bonds, were cancelled. The properties of the Connell, Seneca, Righter, Warriour Run and Wyoming Coal and Land Companies were acquired for The Lehigh Valley Coal Company and in the place thereof The Lehigh Valley Coal Company issued to the
8648 Lehigh Valley Railroad Company Certificates of Indebtedness and capital stock amounting to $11,202,000, which have been pledged under the General Consolidated Mortgage as additional collateral security.

As the result of the various financial changes during the year, there have been cancelled and retired, or changed from fixed obligations of the Lehigh Valley

Railroad Company, subsidiary lines and coal companies, as follows:— 8649

| | | |
|---|---|---|
| Lehigh Valley Railroad Company Mortgage and Collateral Trust Five Per Cent. Bonds | $12,506,000 00 | |
| Lehigh Valley Coal Company Five-Ten Year Five Per Cent Coal Pledge Bonds | 2,000,000 00 | |
| Lehigh Valley Railroad Company—National Storage Four Per Cent. Trust Certificates | 5,000,000 00 | |
| Lehigh Valley Coal Company Second Mortgage | 5,000,000 00 | 8650 |
| Hazleton Coal Company First Mortgage | 1,844,000 00 | |
| Lehigh Valley Terminal Railway Company Car Trust | 900,000 00 | |
| Balance outstanding coal companies' Stock Purchase Four Per Cent. Bonds | 1,135,000 00 | |
| Making a total of | $28,385,000 00 | |

8651

against which, as before mentioned, there have been issued $20,100,000 four per cent. General Consolidated Mortgage Bonds.

The retirement of the Lehigh Valley Railroad Company Mortgage and Collateral Trust five per cent. Bond and The Lehigh Valley Coal Company Five-Ten Year five per cent. Coal Pledge Bonds with the subsequent change made possible by the release of collateral held thereunder will reduce the fixed charges of your Company and The Lehigh Valley Coal Company $137,400 per annum. 8652

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FROM LIKE REPORT FOR YEAR 1906.

(Page 14)

On October 13, 1905, your Board authorized the purchase of the entire capital stock of Coxe Brothers and Company, Incorporated, The Delaware, Susquehanna and Schuylkill Railroad Company, The Drifton Water

8653 Company, The Oneida Water Company, The Beaver Meadow Water Company and the Tomhicken Water Company. The properties so acquired were surrendered to your Company on November 1, 1905, as going concerns, with accounts receivable, cash, stocks of coal and materials on hand and without liabilities of any character, other than current monthly bills and a contract for the purchase of one thousand 100,000-pound capacity steel coal cars, of which 333 had been delivered. To provide for the purchase of the above
8654 mentioned properties, including the 667 cars not delivered, your Board authorized the issue of $19,000,000 Collateral Trust Bonds, bearing interest at the rate of four per cent. per annum, under a Trust Agreement, dated November 1, 1905, with the Girard Trust Company as Trustee, pledging as collateral security thereunder the capital stocks of Coxe Brothers and Company, Incorporated, and The Delaware, Susquehanna and Schuylkill Railroad Company. These bonds mature at the rate of $1,000,000 each year in semi-annual installments, beginning August 1, 1907, the last installment
8655 maturing February 1, 1926. Such of the net current assets of the companies purchased as were not required in the conduct of the business have been liquidated and credited on the books as a reserve for the depreciation of those properties. The net results to your Company from the operation of these properties since the date acquired, notwithstanding the suspension of mining for practically two months, have been sufficient to pay the interest on the bonds issued for the purchase thereof and provide a substantial amount which may be applied
8656 to the retirement of the same.

## L. V. R. R. EXHIBIT NO. 19. 8657

AN ACT TO PROVIDE FOR THE ORDINARY EXPENSES OF GOVERNMENT, THE REPAIRS OF PUBLIC CANALS AND RAILROADS, AND OTHER GENERAL AND SPECIAL APPROPRIATIONS.

Approved 18th May, 1857. (P. L. 571.)

(Commonwealth of Pennsylvania)

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SECTION 90. That in view of the completion of the Lehigh Valley railroad, schutes or pockets become necessary at the point where it crosses the Delaware division of the Pennsylvania canal, to facilitate trans-shipment to the canal; it shall therefore be lawful for the said Lehigh Valley railroad company to construct at the points named, sufficient pockets to accomodate said trade; on the completion of which the president and treasurer of said company shall report under oath to the canal commissioners, the cost of the same, and the canal commissioners shall allow to the aforesaid company a drawback of twenty-five per centum on the amount of tolls paid to the commonwealth on coal which shall have passed over the railroad of the said company and shipped on the canal, until the said drawback shall amount to the sum expended for this purpose, by the said company: PROVIDED, That the amount of drawbacks to be allowed said company, shall not exceed the sum of ten thousand dollars: AND PROVIDED FURTHER, That said schutes or pockets shall be put under the control of the state as soon as they shall be finished, and when the drawbacks amount to sufficient to pay the same, they shall become the property of the state; and that the work shall be built under the supervision of a person to be appointed by the canal commissioners, whose certificate shall accompany the statement of the company as to the amount expended for building and constructing the same. 8658 8659 8660

8661 **L. V. R. R. EXHIBIT NO. 20.**

AN ACT RELATING TO RAILROAD COMPANIES.

(Commonwealth of Pennsylvania)

APPROVED 16th May, 1861. (P. L., 1861, pages 702 to 704.)

SECTION 1. That it shall be lawful for any railroad company chartered by this Commonwealth to merge its corporate rights, powers, and privileges into any other railroad company, so chartered, connecting therewith, so that by virtue of this act such companies may be con-
8662 solidated, and so that all the property, rights, franchises and privileges then by law vested in such company so merged, may be transferred to and vested in the company into which such merger shall be made.

SEC. 2. That such consolidation and merger shall be made under the following conditions and restrictions, to wit:—

1. The directors or managers of each corporation may enter into a joint agreement, under the corporate seal of each company, for the consolidation of the said com-
8663 panies and of such merge, (merger), prescribing the terms and conditions thereof, and the manner of converting the capital stock of the said company so to be merged into the stock of the company into which such merger shall be made, and all other such provisions as they shall deem necessary to perfect the said consolidation and merger.

2. Said agreement shall be submitted to the stockholders of each of such companies, at a meeting thereof, called separately; of the time, place, and object of which
8664 meeting due notice shall be given by publication once a week for two successive weeks, before said meeting, in one newspaper published in each of the counties through or into which the railroads of said companies respectively shall or may be authorized to extend; and at said meeting the said agreement shall be considered, and a vote by ballot, in person or by proxy taken for the adoption or rejection of the same, each share entitling the holder thereof to one vote; and if a majority of all the votes cast at each of such meeting shall be in favor of

said agreement, consolidation, and merger, then that fact 8665
shall be certified by the secretary of such company, and said certificate, together with a copy of the agreement, shall be filed in the office of the secretary of the Commonwealth; whereupon, the said agreement shall be deemed and taken to be the act of consolidation of said companies.

SEC. 3. That upon the filing of the said certificate and copy of agreement in the office of the secretary of the Commonwealth, the said merger shall be deemed to have taken place, and the said companies to be one corpora- 8666
tion, possessing all the rights, privileges, and franchises theretofore vested in either of them; and all the property, real, personal, and mixed, and debts due, and rights of action, shall be deemed and taken to be transferred to and vested in the company into which such merger may have been made, without further act or deed; and all property, all rights of way, and all other interests shall be as effectually the property of such company or corporation into which such merger may have been made, as they were of either of the former corporations, parties to said agreement: PROVIDED, That all rights of 8667
creditors, and all liens upon the property of either of said corporations, shall continue unimpaired, and the respective corporations may be deemed to be in existence to preserve the same; and all debts, duties, and liabilities of either of said companies shall thenceforth attach to the consolidated company, and may be enforced against it to the same extent and by the same process as if said debts, duties, and liabilities had been contracted by it:

AND PROVIDED FURTHER, That in case of any dif- 8668
ferences or inconsistencies of any nature, between the acts regulating said companies respectively, then the said consolidated company shall in all respects be regulated by the laws then governing and applicable to that company into which such merger may have been made: AND PROVIDED FURTHER, That a certified copy of the said certificate and copy of agreement so to be filed in the office of the secretary of the Commonwealth, shall be evidence of the lawful holding and action of such meeting and of

8669 the consolidation of said companies and of the said merger: AND PROVIDED FURTHER, That if any stockholder or stockholders of any railroad companies shall be dissatisfied with or object to any such consolidation, then it shall and may be lawful for any such stockholder or stockholders, within thirty days after the execution of said agreement for consolidation, to apply by petition to the court of common pleas of the county in which the chief office of the said companies may respectively be held, to appoint three disinterested persons to estimate and ap-
8670 praise the damage, if any, done to such stockholder or stockholders by said proposed consolidation, and whose award, or that of a majority of them, when confirmed by the said court, shall be final and conclusive; and the persons so appointed shall also appraise the share or shares of said stockholders in the said company at the full market value thereof, without regard to any depreciation in consequence of the said proposed consolidation; and the said company may, at its election, either pay to the said holder the amount of damages so found, or the value of the stock so ascertained, and upon payment of the value
8671 of the stock, as aforesaid, the said stockholders shall transfer the stock so held by them, to said company, to be disposed of by the directors of said company, or be retained by them for the benefit of the remaining stockholders.

## L. V. R. R. EXHIBIT NO. 21.

AN ACT SUPPLEMENTARY TO AN ACT REGULATING RAILROAD COMPANIES, APPROVED THE NINETEENTH DAY OF FEBRUARY, A. D. 1849.

8672

(Commonwealth of Pennsylvania)

Approved 24th March, 1865. (P. L. 49)

SECTION 1. That it shall and may be lawful for any railroad company or corporation organized under the laws of this Commonwealth, and operating a railroad, either in whole within or partly within and partly without this State, under authority of this and any adjoining

State, to merge and consolidate its capital stock, fran- 8673
chises and property of (into) any other railroad company or companies or corporations, organized and operated under the laws of this or any other State, whenever the two or more railroads of the companies or corporations so to be consolidated shall or may form a continuous line of railroad with each other or by means of any intervening railroad: PROVIDED, That railroads terminating on the banks of any river, which are or may be connected by ferry or otherwise, shall be deemed continuous under this act; AND PROVIDED FURTHER, That noth- 8674
ing in this act contained shall be taken to authorize the consolidation of any company or corporation of this Commonwealth with that of any other State whose laws shall not also authorize the like consolidation.

AN ACT FURTHER SUPPLEMENTARY TO AN ACT REGULATING RAILROAD COMPANIES, APPROVED THE NINETEENTH DAY OF FEBRUARY, ANNO DOMINI ONE THOUSAND EIGHT HUNDRED AND FORTY-NINE.

Approved 26th April, 1870. (P. L. 1274) 8675

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SECTION 1. That it shall and may be lawful for any railroad company or corporation duly organized under the laws of this State, for the purpose of constructing a railroad, either wholly within, or partly within and partly without, this State, under authority of this and any adjoining State, to merge and consolidate its capital stock, franchises, and property with any other railroad company or companies or corporations organized under the laws of this or any other State, whenever the two or 8676
more railroads of the companies or corporations so to be consolidated shall or may form, when constructed, a continuous line of railroad with each other, or by means of any intervening railroad; and such consolidation may be effected in accordance with the laws of this Commonwealth, either under special or general statutes of other States.

8677 **L. V. R. R. EXHIBIT NO. 22.**

AN ACT TO AUTHORIZE INCORPORATED COMPANIES TO INVEST AND RE-INVEST SURPLUS FUNDS IN MORTGAGES, STOCKS AND OTHER SECURITIES, AND FIXING THE TIME FOR HOLDING ELECTIONS FOR DIRECTORS.

(Commonwealth of Pennsylvania)

Approved 31st March, 1868. (P. L. 50)

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8678 SECTION 1. That it shall and may be lawful for any and all companies incorporated or organized under the laws of this commonwealth, including those authorized thereby, to transport merchandize or other property, and also for the directors, managers or trustees thereof, with the approval of the stockholders, to invest the surplus or other funds or earnings of such companies in mortgages on improved real estate, in ground rents, in the loans of the United States, in the purchase from holders thereof any of the shares of the capital stock of the respective company, and also in the public debt of the 8679 state of Pennsylvania, or of the city of Philadelphia, or in other good stocks or securities, and to sell and transfer the same, and to re-invest the proceeds of such sales in securities or stocks of like kind, and to prescribe, by resolution of the directors, or the by-laws of the company, or otherwise, the mode of making such investments, purchases and sales, with the approval of the stockholders, and the amount or amounts thereof to be purchased, and the price or prices to be paid or received therefor, and the re-investment of the proceeds thereof, and to make such compensation as the said direc- 8680 tors, managers or trustees may deem proper to any director, manager, trustee, treasurer or other agent or officer of such company, for the keeping, receiving, paying, investing or re-investing of any of the moneys belonging to the said company, or for any other services performed by him or them as agents of the company or otherwise; and that any such companies may change and fix the time of holding their annual election for directors to such a day as they may select, a certificate of such

change, duly authenticated by the proper officers of the company, shall be filed with the auditor general of this commonwealth within thirty days after such change shall have been made. 8681

## L. V. R. R. EXHIBIT NO. 23.

AN ACT SUPPLEMENATARY TO AN ACT RELATING TO CERTAIN CORPORATIONS, APPROVED THE TWENTY-THIRD DAY OF APRIL, ANNO DOMINI ONE THOUSAND EIGHT HUNDRED AND SIXTY-ONE.

(Commonwealth of Pennsylvania)

Approved 17th March, 1869. (P. L. 11)

8682

SECTION 1. That it shall and may be lawful for any railroad company or companies, created by or existing under the laws of this commonwealth, from time to time, to purchase and hold the stock and bonds, or either, or to agree to purchase or guarantee the payment of the principal or interest, or either, of the bonds of any other railroad company or companies chartered by it, or existing under the laws of any other state. 8683

## L. V. R. R. EXHIBIT NO. 24.

AN ACT TO AUTHORIZE RAILROAD AND CANAL COMPANIES TO AID IN THE DEVELOPMENT OF THE COAL, IRON, LUMBER AND OTHER MATERIAL INTERESTS OF THIS COMMONWEALTH.

(Commonwealth of Pennsylvania)

Approved 15th April, 1869. (P. L. 31)

8684

SECTION 1. That it shall and may be lawful for railroad and canal companies to aid corporations authorized by law to develop the coal, iron, lumber and other material interests of this commonwealth, by the purchase of their capital stock and bonds, or either of them, or by the guarantee of or agreement to purchase the principal and interest or either of such bonds: PROVIDED, That this act shall not apply to the stock and bonds of any corporation possessing mining or manufacturing privileges in the county of Schuylkill.

8685 **L. V. R. R. EXHIBIT NO. 25.**

AN ACT TO INCORPORATE THE DELANO LAND COMPANY, AND TO EXEMPT THE BONDS AND STOCK OF SAID COMPANY FROM THE OPERATION OF THE PROVISO OF THE ACT APPROVED THE FIFTEENTH DAY OF APRIL, ANNO DOMINI ONE THOUSAND EIGHT HUNDRED AND SIXTY-NINE, ENTITLED "AN ACT TO AUTHORIZE RAILROAD AND CANAL COMPANIES TO AID IN THE DEVELOPMENT OF THE COAL, IRON, LUMBER AND OTHER MATERIAL INTERESTS OF THIS COMMONWEALTH."

8686 (Commonwealth of Pennsylvania)

Approved 15th March, 1872. (P. L. 388)

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SECTION 7. That the proviso to the act approved the fifteenth day of April, Anno Domini one thousand eight hundred and sixty nine, entitled "An Act to authorize railroad and canal companies to aid in the development of the coal, iron, lumber and other material interests of
8687 this commonwealth," shall not apply to bonds and stock of said company.

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**L. V. R. R. EXHIBIT NO. 26.**

**Extracts from Mortgage and Collateral Trust Deed. Lehigh Valley Railroad Company to the Girard Life Insurance, Annuity and Trust Company of Philadelphia, Trustee, Dated May 1st, 1897.**

8688 NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to secure the payment of the principal and interest of all such bonds at any time issued and outstanding under this indenture, according to their tenor and effect, and the performance of all the covenants and conditions herein contained, and to declare the terms and conditions upon which such bonds are issued and received, and in consideration of the premises and of the purchase and acceptance of such bonds by the holders thereof, and of the sum of one dollar to the

Company duly paid by the Trustee at or before the 8689
ensealing and delivery of these presents, the receipt whereof is hereby acknowledged:

LEHIGH VALLEY RAILROAD COMPANY, party of the first part, has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, transferred and set over, and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, assign, transfer and set over, unto THE TRUSTEE, party of the second part its successors and assigns forever:

ALL AND SINGULAR the following estates, railroads, 8690
lands, properties, rights, privileges and franchises, and bonds and shares of capital stock, viz.:

FOURTH. CERTAIN BONDS secured by mortgages of the several following corporations, to be delivered to the Trustee as hereinafter provided, and for several aggregate principal sums as follows, viz.:

| | |
|---|---|
| Morris Canal and Banking Co..... | $500,000 00 |
| Schuylkill and Lehigh Valley R. R. Co. ..... | 2,000,000 00 |
| Rochester Southern R. R. Co..... | 425,000 00 |
| Lehigh Valley Coal Co. (mortgage dated October 1st, 1892) ..... | 1,400,000 00 |
| Lehigh Valley Coal Co. (mortgage dated April 30, 1897) ..... | 5,000,000 00 |
| Hazleton Coal Co. ..... | 2,000,000 00 |
| Coal Ridge Improvement Coal Co.. | 384,500 00 |
| Lehigh Valley Terminal Ry. Co. Car Trust ..... | 900,000 00 |
| Greenville and Hudson Railroad Co. | 350,000 00 |

8691

Together with such overdue coupons belonging to any 8692
such bonds as shall at any time be delivered to, or be in the possession of, the Trustee.

FIFTH. THE FOLLOWING SHARES OF CAPITAL STOCK NOW belonging to the Railroad Company for which proper certificates are to be transferred, either by the Railroad Company or by the record holder of the certificates for such shares, to the Trustee as hereinafter provided.

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I.

| | |
|---|---|
| Depew & Tonawanda Railway Company .. | $500,000 |
| Easton and Amboy Railroad Company .... | 6,000,000 |
| Easton & Northern Railroad Company .... | 300,000 |
| Greenville & Hudson Railway Company .... | 400,000 |
| Loyalsock Railroad Company ..... | 300,000 |
| Lehigh Valley Rail Way Company ..... | 5,900,000 |
| do Terminal Railway Company | 10,000,000 |
| do Transportation Company ... | 750,000 |
| Pittstown Branch Railway Company ..... | 40,000 |
| 8694 Perth Amboy & Raritan Railway Company. | 12,000 |
| Rochester Southern Railway Company..... | 800,000 |
| Schuylkill & Lehigh Valley Railroad Company ..... | 1,998,400 |
| Wilkes Barre & Harvey's Lake Railroad Company ..... | 150,000 |
| Waverley & State Line Railroad Company... | 10,000 |

II.

| | |
|---|---|
| Canastota Northern Railroad Company..... | $200,000 |
| 8695 Canal Railroad Company ..... | 60,000 |
| Elmira Transfer Railroad Company..... | 10,000 |
| Elmira, Cortland & Northern Railroad Company ..... | 2,000,000 |
| Hazleton Coal Company..... | 500,000 |
| Lehigh Valley Coal Company..... | 650,000 |
| Lehigh & New York Railroad Company, preferred ..... | 2,148,300 |
| Pennsylvania & New York Canal & Railroad Company ..... | 1,051,200 |
| 8696 Westwood Coal Company ..... | 165,000 |

III.

| | |
|---|---|
| Buffalo Creek Railroad Company ..... | 125,000 |
| Anthracite Coal & Improvement Company... | 257,860 |
| Coal Ridge Improvement & Coal Company... | 807,550 |
| do do preferred | 86,500 |
| Highland Coal Company ..... | 120,000 |
| Mineral Spring Coal Company ..... | 195,900 |
| National Docks Railway Company ..... | 1,375,000 |

| | |
|---|---|
| National Docks and New Jersey Junction Connecting Railway Company ..... | 271,500 |
| New York & Middle Coal Field Railroad & Coal Co. ..... | 1,061,150 |
| Wyoming Valley Coal Company ..... | 922,200 |

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SEC. 3. The remainder of the authorized issue hereunder, amounting to $7,000,000 of said bonds, shall be reserved, to be executed, and to be certified by the Trustee, not immediately, but only when and as called for by resolution of the Board of Directors of the Railroad Company as next hereinafter provided, for the following purposes, or some one or more of them, viz.:

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(*a*) For the construction or acquisition, on and after January 1st, 1900, of railway lines, extensions, terminal properties or rolling stock; or for the construction or acquisition on and after that date of other railway property; or for the construction of railway or terminal betterments, on and after that date; all such construction or betterments, or property acquired, to be upon, along, or appurtenant to the properties of the Railroad Company at the time of such use subject to the lien of this indenture, or upon, along or appurtenant to properties of some one or more of the other companies mentioned in Subdivision Fifth of the granting clauses hereof under the heading "I." or of some other company of whose capital stock no part is now pledged hereunder, but of whose capital stock more than one-half, at the time of such use, shall be pledged hereunder, it being intended that such lines, extensions or terminal properties or other property may be constructed or acquired by and in the name of the Railroad Company or by or for account of any such other company; or for the acquisition on and after January 1st, 1900, of shares, bonds or other obligations of any company (of whose capital stock no part is now pledged hereunder) owning any such line, extension, terminal property, rolling stock or other property (provided that any such acquisition of stock, either by itself, or in connection with the stock of such company previously pledged here-

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8700

8701 under, shall constitute more than one-half of the total stock of such company, and provided further that, after the pledge of more than one-half of the capital stock of any such company, no bonds, shares or other obligations of such company thereafter issued shall be acquired hereunder unless a sum equal to the entire proceeds of the bonds used therefor shall have been applied by such company to the acquisition or construction of new property or betterments); or

(*b*) For the acquisition of additional bonds of the Le-
8702 high Valley Coal Company to be issued under its mortgage dated April 30th, 1897; provided that, in every case of any such acquisition, the par value of such bonds so acquired shall be equal to the par value of the bonds hereby secured, used for such acquisition; or

(*c*) To reimburse the Railroad Company for outlays or advances by it made for, or to promote, any construction or acquisition made pursuant to (*a*) or (*b*) hereof on or subsequent to January 1st, 1900.

SEC. 3. Whenever demanded by the Trustee, the Rail-
8703 road Company will grant, convey, confirm, assign, transfer and set over unto the Trustee, all real and personal estate, corporate rights and franchises which, in any way or manner, it shall acquire as incidental or appurtenant to, or for use upon, any property mortgaged hereunder, or to or upon the property of any company of which any stocks or bonds are or shall be pledged hereunder; and will also do, execute, acknwledge and deliver, and cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances and transfers, and assurances in the law,
8704 for better assuring, conveying and confirming unto the Trustee all and singular the hereditaments and premises, estates and property hereby conveyed, or intended so to be, or which it has herein covenanted and agreed hereafter to convey to the Trustee, as the Trustee shall reasonably require for better accomplishing the provisions and purposes of this indenture, and for securing payment of the principal and interest of the bonds intended to be hereby secured; and whenever demanded by the Trustee the Railroad Company will endeavor to

procure from all companies, of which the capital stock or 8705
the bonds or any part of either shall be pledged hereunder, all conveyances or assurances in law necessary to bring under the lien of this indenture any and all property connected with or incidental or appurtenant to the property of any such company, constructed or acquired by use of any bonds reserved under Section 3 of Article One, or of any other funds received pursuant to any provision hereof.

SEC. 6. The Railroad Company will not (except as above provided) voluntarily create or suffer to be 8706
created any lien or charge upon the mortgaged premises or any part thereof, or upon the income thereof, having priority to the lien of this indenture; and, within six months after the same shall accrue, it will pay all lawful claims and demands of mechanics, laborers and others, which, if unpaid, might by law be given priority to this indenture as a lien or charge upon the mortgaged premises or any part thereof, or the income thereof; and if any company, of whose capital stock the greater part now is or hereafter shall be pledged hereunder, 8707
shall create or suffer to be created any lien or charge upon its property or income, or create or suffer to be created any indebtedness, other than (1) mortgage or funded indebtedness as hereinafter permitted, (2) indebtedness of the Coal Company as hereinafter permitted, (3) indebtedness to the Railroad Company, or (4) indebtedness for the current operating expenses of such company during a period not exceeding six months, then it, the Railroad Company, will pay and discharge the same, or will acquire the same and transfer the same to the Trustee for the benefit of this mortgage. 8708

SEC. 7. The Railroad Company from time to time will pay and discharge all taxes, assessments and governmental charges lawfully imposed upon the premises hereby mortgaged, or upon any part thereof, or upon the income and profits thereof, the lien of which would be prior to the lien hereof, so that the priority of this indenture shall be fully preserved in respect of such properties; and if any company of whose capital stock

8709 the greater part now is, or hereafter shall be, pledged hereunder, shall, at any time during the continuance of any such pledge, fail to pay all such taxes, assessments and charges lawfully imposed upon the property of such company or upon the income and profits thereof, then it, the Railroad Company will itself pay and discharge the same; provided that the covenants of this Section shall not require the Railroad Company to pay any tax, assessment or charge, so long as the validity thereof is in good faith contested.

8710 SEC. 8. The Railroad Company from time to time and at all times during the continuance of this indenture, and until the payment of all bonds issued hereunder, will maintain the mortgaged premises and each and every part thereof, and will replace the same and all parts thereof lost, destroyed or used up. The mining and selling of coal by any Coal Company, without replacement, shall not be construed as a violation of this covenant.

SEC. 9. Except subject to the lien hereof or as herein otherwise expressly provided, the Railroad Company
8711 (1) will not sell encumber or by any voluntary act part with its ownership of the title to any shares of stock of any company above enumerated in Subdivision Fifth of the granting clauses hereof, or to any shares of stock of any company which shall hereafter be pledged hereunder (if a majority of the shares of such company shall have been, or shall be, so pledged), or the equity of redemption therein or the voting power thereof; and (2) will hold, subject to the lien hereof, all and singular such stock of every company enumerated in I. and
8712 II. of Subdivision Fifth of the granting clauses hereof and of every other company of whose capital stock the greater part shall have been pledged hereunder, and will exercise the voting power thereon in such manner that it shall retain in itself the rights and powers of the holder of the greater part of the capital stock of such company; and (3) will at all times take all such action as, from time to time, may be necessary to preserve the corporate existence and corporate rights of every com-

pany of whose capital stock the greater part shall be 8713
pledged hereunder.

As such holder of stock of any company above mentioned in I. and II., Subdivision Fifth of the granting clauses hereof, or of stock of any other company whose stock the greater part shall at such time be pledged hereunder, the Railroad Company will not, by affirmative vote, or by abstaining from voting, sanction or permit any increase of the capital stock of any such company or the creation of any so-called "floating" indebtedness of any such company (except current op- 8714
erating accounts for a period not at any date exceeding six months prior thereto), or (except in respect of the Lehigh Valley Coal Company to the extent hereinafter permitted) the issue of guaranty of any bonds by any such company, or the creation of any mortgage or other lien upon the railroad or property of any such company (except bonds or mortgages or other liens in extension or replacement of those now existing), unless effective provision be made that all such additional stock (or such part of such additional stock as shall be proportionate to the part of such entire capital stock previously 8715
pledged hereunder), and (except as hereinafter provided in respect of the Lehigh Valley Coal Company) that any such indebtedness and the evidence thereof, and any such bonds issued or guaranteed, and any such mortgage or other lien, immediately upon the issue or creation thereof, shall be delivered to and pledged with the Trustee, by it to be held subject to all the trusts of this indenture, with the same effect as if such indebtedness, bonds, mortgage or other lien and shares, had been delivered and pledged to it hereunder at the time of the 8716
making hereof; and all such additional stock shall be fully paid and nonassessable. But nothing in this article or in any other article of this indenture is intended, or shall be construed, to require any such company (not then being otherwise in default) to pay the principal of any bond heretofore created by any such company or now secured by mortgage upon its property during any period for which the same shall have been extended or

renewed as next hereinafter provided; the right being hereby expressly reserved by the Railroad Company, in the discretion of its Board of Directors, from time to time, to take all necessary steps (1) to procure the extension of the time for the payment of the principal of any such existing bonds, or (2) in substitution for any such existing bonds to procure the issue of new bonds by any such company, but not to increase the aggregate principal sum or the rate of interest now charged on such property by such existing liens, through the principal and interest of all such new or extended bonds may be made expressly payable in gold coin of the United States of the standard of weight and fineness at the time of such extension.

Except as herein otherwise expressly provided, the Railroad Company will not, by affirmative vote, or by abstaining from voting, sanction or permit any railroad company of whose capital stock the greater part shall be pledged hereunder to sell or otherwise to dispose of its railroad, or to lease the same (unless such lease be terminable hereunder by entry of the Trustee, or by sale, by the Trustee, or pursuant to judicial proceedings), except to some company of whose capital stock there shall then be held or received by the Railroad Company, and shall be pledged or assigned to the Trustee hereunder, an amount not proportionately less than the amount then held hereunder of the capital stock of the Company whose railroad shall be so sold, or shall be otherwise disposed of, or leased.

SEC. 10. Any and all claims and indebtedness (other than bonds now or hereafter pledged or assigned to the Trustee under some provision of this indenture) which the Railroad Company now holds or hereafter may acquire against any other company of whose capital stock the greater part shall have been pledged hereunder, shall be and become subject to the lien of this indenture, and, if and when requested in writing by the Trustee, the Railroad Company will execute to the Trustee appropriate assignments thereof.

SEC. 12. It is expressly understood that the Lehigh Valley Coal Company, from time to time, may borrow

money and secure the repayment thereof, by a pledge 8721
or hypothecation of coal when actually mined, or the representatives or proceeds of coal when actually mined, anything in this indenture to the contrary notwithstanding; it being further understood however, that the amount of money so borrowed shall never exceed the fair market value of coal so actually mined and the representatives and proceeds thereof, then held by the Coal Company.

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## L. V. R. R. EXHIBIT NO. 27. 8722

This Agreement made the third day of January, 1893, between the Lehigh Valley Railroad Company, of the first part, the Philadelphia and Reading Railroad Company, (Lessee of the Lehigh Valley Railroad Company), of the second part, and the American Cement Company, of the third part;

Whereas, by agreement dated May 31st, 1888, between the said Lehigh Valley Railroad Company and the American Improved Cements Company it was inter 8723
alia provided that the Cements Company should convey to the Railroad Company certain rights of way for a branch railroad between points at or near Coplay and Egypt, Pennsylvania, and that certain rates of freight should be paid to the Railroad Company by the Cements Company;

And whereas, the said rights of way have been duly conveyed to the said Lehigh Valley Railroad Company;

8724

And whereas, the said American Improved Cements Company, (or its successor the said American Cement Company), has graded the said right of way at its own cost, expending considerable sums of money in so doing;

And whereas, since the making of the said agreement the American Improved Cements Company has been merged or consolidated with one or more other corpor-

ations, and the corporate name of the consolidated company is the American Cement Company, and the Lehigh Valley Railroad has been leased to the Philadelphia and Reading Railroad Company:—Now THIS AGREEMENT WITNESSETH:—

THAT in consideration of the expenditures made as aforesaid for grading the said rights of way and of other good and valuable considerations thereunto moving, the parties hereto consent and agree that the words "the sum of five cents per ton, said sum of five cents to apply only to freight coming to or going from the Lehigh Valley Railroad and to be in addition to" shall be stricken out from the third clause of said above recited agreement, and that the said sum of five cents shall no longer be charged to and paid by the Cement Company in addition to the current rates of freight charged by the Lehigh Valley Railroad Company in said agreement mentioned, which current rates only without any addition thereto, shall hereafter be charged to and paid by the Cement Company on the said freights and between the said parties in said agreement mentioned; ALSO, that the words "the five cents per ton" shall be stricken out from the second proviso to the fifth clause of said above recited agreement.

PROVIDED ALWAYS, that whenever the freight rate of the Lehigh Valley Railroad Company as aforesaid shall be less than fifty cents per ton of two thousand pounds, and whenever the point on the Lehigh Valley Railroad to or from which such rate for transportation is charged, shall be less than ten miles from Coplay, then there shall be charged by and paid to the Lehigh Valley Railroad Company by the Cement Company an additional sum equal to two-thirds of the regular rate for the time being on the Ironton Railroad between Ironton Railroad Junction and Egypt or other point of delivery or shipment on the Ironton Railroad. And in all other respects

WRITING CLOSE

the said agrement dated May 31st, 1888, shall be and 8729
remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the said parties have caused their corporate seals, duly attested, to be hereunto affixed the day and year first above written.

LEHIGH VALLEY RAILROAD COMPANY.
By:
Chas. Hartshorne,
[SEAL] Vice President.
Attest:
Jno. R. Fanshawe, 8730
Secretary.

Signed, sealed and delivered
in the presence of:
As to L. V. R. R. Co.,
F. H. Janvier.

PHILADELPHIA & READING RAILROAD COMPANY.
(Lessee of Lehigh Valley Railroad Co.)
By: A. A. McLeod,
[SEAL] President. 8731
Attest: W. R. Taylor, Secretary.
AMERICAN CEMENT COMPANY,
By: James M. Willcox,
[SEAL] President.
Attest: R. W. Lesley,
Secretary.

COPY.

THIS AGREEMENT, made the thirty-first day of May, A. D., One thousand eight hundred and eighty-eight (1888) 8732
between the LEHIGH VALLEY RAILROAD COMPANY (hereinafter called the RAILROAD COMPANY), of the first part and the AMERICAN IMPROVED CEMENTS COMPANY (hereinafter called the Cements Company), of the second part:

WITNESSETH:

FIRST: That the Cements Company will grant and convey or cause to be granted and conveyed to the Railroad Company free of any cost to the Railroad Company, the

8733 right of way for a single track branch railroad with additional width for cuts, sidings and embankments, over and across the lands lying between a point on the railroad of the Railroad Company at or near Coplay and the Cements Company's works at or near Egypt, Pennsylvania, and beyond said works as far as the lands of the Cements Company extend, said grant of right of way to give the right and privilege at any time or times of locating and re-locating the said railroad and of constructing branches therefrom on any part of said lands to reach
8734 works erected thereon, and of extending said railroad at any future time by a route to be selected by the Railroad Company; PROVIDED that if the Cements Company shall fail to secure on reasonable terms such right of way through the lands of any parties along said route, the Railroad Company will in place of such conveyance of right of way accept a bond of indemnity from the Cements Company in such amount and with such sureties as shall be satisfactory to the Railroad Company, conditioned for the payment of any damages that may be assessed in any proceeding taken by the Railroad Com-
8735 pany to condemn and take a right of way over and through said lands.

SECOND: The Railroad Company will on receiving grants of right of way as aforesaid, proceed to construct the said branch railroad from a point of junction with the Lehigh Valley Railroad at or near Coplay, to the works of the Cements Company at or near Egypt, Pennsylvania, furnishing all labor and materials therefor at its own cost, and will operate the same as a branch of its
8736 said railroad and keep it in repair; PROVIDED HOWEVER, that the Railroad Company may at its option instead of constructing a railroad as aforesaid, make use of any other railroad connecting the works of the Cements Company with the Lehigh Valley Railroad; PROVIDED FURTHER, that the movement of freight to or from the Cements Company's works over such other railroad shall be done with such reasonable promptness and efficiency as is shown in the movement of similar freight over other short branch lines of the Lehigh Valley Railroad.

THIRD: The Railroad Company will charge and the 8737
Cements Company will pay on all cement, coal, materials for the manufacture and production of cement, machinery and building materials, transported either way between the Ironton Railroad Junction and the cement works of said Cements Company as now located, or may be hereafter located between Egypt and Coplay, along the line of said railroad, the current rates of freight charged by the Lehigh Valley Railroad Company over its line to or from the said Junction Eastward or Westward. The Railroad Company agrees that its rates of 8738
freight from time to time over its lines to and from Ironton Railroad Junction shall not be higher than the rates charged by it to and from other cement shipping points similarly situated on its lines in the Lehigh District.

FOURTH: The Cements Company covenants that it will ship or cause to be shipped over the Lehigh Valley Railroad, and over connecting and forwarding transportation lines preferred by the Railroad Company, to the exclusion of all other means of transportation 8739
whatsoever, from or to its cement works at or near Egypt, Pennsylvania, aforesaid, to or from its point of departure or ultimate destination, all the freight, the shipment of which it can fairly control or influence; PROVIDED, that the transportation rates shall not be higher than those of other railroad transportation Companies on similar articles in the Lehigh Region.

FIFTH: This contract shall continue for a term of ten (10) years from its date, and thereafter from year to 8740
year so long as the shipments over said branch railroad or other connecting railroad as aforesaid, to or from the said works of the Cements Company, or to or from other cement works located along said branch or other connecting railroad between the works of the Cements Company and Ironton Railroad Junction, and owned by James M. Wilcox, R. W. Lesley, John W. Trinkle and John W. Eckert, their heirs or assigns, or any of them, shall amount to at least fifty thousand (50,000) tons yearly; PROVIDED, that if through accident

by fire or other disaster the said shipments should in any year fall short of fifty thousand (50,000) tons, this contract shall not be thereby treminated if within one year from such disaster the works shall be put in such order that the yearly shipments of at least fifty thousand (50,000) tons can and shall thereafter be continued; AND PROVIDED, that this contract may at the option of the Railroad Company be continued from year to year notwithstanding such failure to ship said amount; but if after such failure and during such continuance the Railroad Company shall demand a higher rate than as provided in the Third Clause hereof, for the cement, coal and materials of the Cements Company between Ironton Railroad Junction and the cement works of said Company, then this contract may at the option of the Cements Company be determined and the Cements Company shall in that case be entitled to demand, and if demanded shall receive a re-conveyance of the right of way referred to in the First Clause hereof.

IN WITNESS WHEREOF, the said parties hereto have caused their respective corporate seals, duly attested, to be hereunto affixed, the day and year first above written.

LEHIGH VALLEY RAILROAD COMPANY.
By:
E. P. Wilbur,
[SEAL] President.
Attest:
Jno. R. Fanshawe,
Secretary.

Sealed and delivered in
the presence of:
D. G. Baird,
as to Lehigh Valley R. R. Co.

AMERICAN IMPROVED CEMENTS COMPANY.
By:
James M. Willcox,
[SEAL] President.
Attest:
R. W. Lesley,
Secretary.

## L. V. R. R. EXHIBIT NO. 28.

8745

Memorandum of Agreement made this Seventh day of December A. D. 1863, Between R. R. Morgan, Supt. for and in behalf of The Franklin Coal Company of the one part and Charles Parrish and William L. Conyngham doing business as Parrish & Company of the other part, Witnesseth: That the said Franklin Coal Company for the considerations hereinafter named hereby agree to grant, bargain and sell, and, upon the making of the payments hereinafter specified, to convey to the said parties of the second part, all that certain Rail Road 8746
of the said Franklin Coal Company, situate in the township of Wilkes Barre, Luzerne County, Pennsylvania, beginning at a point on said road known as "Stanton's Switch" (it being the point of intersection of the rail road from the "Audenried Mines" with the said Franklin Coal Company's rail road) and running thence along the line of said road as now located to the point of its intersection with the Lehigh & Susquehanna Rail Road near Petty's Mill, together with all and every right of way, easement and other privileges, bridges, ties, rails, 8747
irons, trestling, and other appurtenances thereunto belonging or in any wise appertaining, and also the right of way across the land of the said Franklin Coal Company for the rail road leading from said Stanton's Switch to the Audenried Mines as now located upon the said land, and the said parties of the second part in consideration of the premises hereby agree:

First. To pay for the same the sum of Nine thousand dollars, in manner following, to wit: One third part in cash down upon the execution of this agreement, One 8748
other third part thereof in six months from the date thereof, and the remaining third part in nine months from the date thereof together with interest from the date thereof on the balance unpaid, to be paid with each instalment of principal.

Second. That the said parties of the second part shall and will transport the coal of the said Franklin Coal Company over the said rail road from their mines to the Canal, or for a like distance to other connecting rail

roads, at the rate of six cents per ton, the said Franklin Coal Company furnishing all the cars, and the said parties of the second part furnishing the motive power and the said parties of the second part also agree, that if at any time the Lehigh Valley Rail Road Company, shall, in the prosecution of their rail road extension, desire to occupy and lease the line of the road hereby purchased that they the said parties of the second part shall and will sell the same to the said Lehigh Valley Rail Road Company at and for the said sum of Nine thousand dollars with interest thereon, less a fair and reasonable allowance or deduction, if the said road shall be in a less valuable condition from wear and tear, reserving however in any such contract of sale or conveyance, to the said parties of the second part and their heirs and assigns the right to transport their coal over the said road for the ordinary and customary rates charged by other Companies. The phraseology of this contract is not intended to be so full and explicit as would be proper in a more formal conveyance; but expressing now fully the intents of the parties in brief; these intents may be, in more explicit terms, set forth in the conveyance hereafter to be made under this agreement.

In testimony whereof the said parties have hereunto set their hands and seals.

R. R. Morgan Sup't.
Charles Parrish (Seal)
W. L. Conyngham (Seal)

Witness
Geo. Brader.

The Franklin Coal Company will make out the deed in pursuance of this contract, to Charles Parrish.

Wilkes Barre: 23d June 1865.

W. L. Conyngham.

## L. V. R. R. EXHIBIT NO. 29.

8753

MEMORANDUM OF AN AGREEMENT, Made and concluded this 23rd day of May A. D. One Thousand Eight Hundred and Eighty-four BETWEEN The Lehigh Valley Railroad Company of the one part and John J. Detwiler and Arabella K. Detwiler his wife of Easton, Pennsylvania, of the other part, as follows, to wit:

In consideration of the Lehigh Valley Railroad Company's Building and constructing a track or siding from the Slatedale Branch of the Lehigh Valley Railroad Company to the boiler plant of the said John J. Detwiler 8754
near Slatington, Lehigh County, Pennsylvania, and for divers other good and valuable causes and considerations the said John J. Detwiler hereby covenants and agrees with the Lehigh Valley Railroad Company its successors and assigns as follows to wit:

That immediately upon the completion of the said siding to the said boiler plant the said John J. Detwiler his executors or administrators will pay to the said the Lehigh Valley Railroad Company its successors or assigns the sum of Two Hundred and Fifty Dollars. 8755

That all material, freight, goods, wares, merchandise and manufactures shipped to or from the said John J. Detwiler at the said boiler plant and connected operations, and all freight to or from said premises which he can influence shall be shipped by way of the Lehigh Valley Railroad and its branches at all times hereafter, provided the rates of freight charged by said Railroad Company shall not exceed the rates charged by other and competing Railroads to the same points.

The said John J. Detwiler and Arabella K. his wife 8756
further covenant and agree that all persons and manner of persons so desiring shall have free access at all times to the track or siding herein provided for, and to any extensions of the same and the free use of the track and its extensions for purposes of loading and unloading freight.

That the said John J. Detwiler and Arabella K. his wife agree to furnish and hereby grant free of all charge and damages the right of way for the said siding and

for any extensions thereof that may be determined upon hereafter by the said Lehigh Valley Railroad Company its successors and assigns, provided said extensions shall not be located unnecessarily near to any opened quarry on said premises nor in such position as to inflict unnecessary damage upon said J. J. Detwiler.

It is further agreed that the Trestle work for dumping coal upon said land which is intended to be erected as a part of and in connection with the said siding, is to be built by the said John J. Detwiler at his own charges and expense.

It is expresly understood and covenanted that this agreement is to vest in the Lehigh Valley Railroad Company, its successors and assigns the exclusive right of way for the said siding and present or future extensions thereof over and upon the lands of the said John J. Detwiler and is to operate as a release and discharge of the said the Lehigh Valley Railroad Company its successors and assigns, of and from all claims, suits, demands or damages for or by reason of the location construction and maintenance of said siding and extensions thereof.

In testimony whereof the proper officer of the Lehigh Valley Railroad Company has hereunto set his hand and affixed the seal of the said Company and the said John J. Detwiler and Arabella K. his wife have hereunto set their hands and seals the day and year first above written.

John J. Detwiller (seal)
Arabella K. Detwiller (seal)
The Lehigh Valley R. R. Co.
by
Chas. Hartshorne,
Vice Prest.

Attest:
Jno. R. Fanshawe,
Secty.

In presence of us
John S. Noble.

## L. V. R. R. EXHIBIT NO. 30.

8761 This agreement made this first day of December, A. D. Eighteen hundred and seventy six between the Lehigh Valley Rail Road Company of the first part, and Geo. B. Markle, Wm. Lilly and Asa Packer, trading under the firm of Geo. B. Markle & Co. of the second part, WITNESSETH,

First. That the party of the second part who are the owners of certain leasehold estates in Luzerne County derived from the Union Improvement Company and the Highland Coal Company, which expire January 1st, 1890, hereby covenant and agree that all the product of the 8762 mines now existing or which may hereafter be erected under and by virtue of the aforesaid leases shall be shipped to market so far as possible by the Railroads or Canals owned or controlled by the said party of the first part.

Second. In consideration of the aforesaid covenant upon the part of the party of the second part as well as of the sum of One Dollar to them in hand paid, receipt of which is hereby acknowledged, the said party of the first part, hereby covenant and agree that they will at all 8763 times when desired to do so furnish to the said party of the second part their full pro-rate proportion of cars available for distribution from day to day taking as a basis for said distribution the productive capacity of collieries operated under aforesaid leases in comparison with the productive capacity of any other colliery shipping by the Rail Roads and Canals owned or controlled by the said party of the first part.

In Witness Whereof the said parties have hereunto set their hands and seals the day and year first above written. 8764

G. B. Markle (L. S.)
Wm. Lilly (L. S.)
Asa Packer (L. S.)
Chas. Hartshorne,
Vice Prest. Lehigh Valley R. R.
(Seal)

Witness
Rob. H. Sayre
Israel W. Morris

Attest:
Jno. R. Fanshawe, Secry.

8765 **L. V. R. R. EXHIBIT NO. 31.**

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That I, the undersigned, a stockholder of the Lehigh Valley Railroad Company, do hereby appoint Drexel & Company, of Philadelphia, Pennsylvania, my attorney and agent, for me and in my name and behalf, (1) to subscribe to such

and

number of shares fraction of a share of the capital

8766

or

stock of the Lehigh Valley Coal Sales Company to which I am entitled to subscribe under the circular notice given by the Lehigh Valley Railroad Company, bearing date January 19, 1912, the certificates for such shares of stock

and

scrip representing the fraction of a share to be de-

or

livered to me, when issued: (2) to receive from the Lehigh Valley Railroad Company the dividend due to me

8767 from the Lehigh Valley Railroad Company, distributable to shareholders, as set forth in said circular notice, and to give receipt therefor to the Lehigh Valley Railroad Company; (3) to use the same for the purpose of paying for the subscription to the capital stock of said Lehigh Valley Coal Sales Company, which may be made by them on my behalf.

Witness my hand and seal this..... day of .....A. D. 1912.

Stockholder

8768 sign here .....L. S.

Witness Present:

.....

.....

Address .....

(Note: The signature to this power of attorney must correspond in every particular with the name as now written upon the face of the stock certificate, without alteration or enlargement, or any change whatever. Correct address must be given as indicated.)

## L. V. R. R. EXHIBIT NO. 32. 8769

HISTORICAL SYNOPSIS

of the

FINANCIAL GROWTH OF THE PROPERTY OF

LEHIGH VALLEY RAILROAD COMPANY'S

TRANSPORTATION SYSTEM

To June 30, 1913.

8770

HASKINS & SELLS

Certified Public Accountants

30 Broad Street
New York

London, E. C.,
30 Coleman Street

8771

Chicago
Cleveland

St. Louis
Pittsburgh

San Francisco
Baltimore

HASKINS & SELLS

Certified Public Accountants
30 Broad Street
New York

8772

Chicago
Harris Trust Building

St. Louis
Third National Bank Building

Cleveland
Williamson Building

Pittsburgh
Farmers Bank Building

Baltimore
Equitable Building

San Francisco
Crocker Building

London, E. C.
30 Coleman Street

Cable Address "Haskells"

8773 New York, February 26, 1914.

Mr. E. B. Thomas,
President, Lehigh Valley Railroad Company,
Philadelphia, Pennsylvania.

Dear Sir:

In conjunction with our examination of the property and related accounts of the corporations comprehended in the Lehigh Valley Railroad Transportation System and of the antecedent corporations from the earliest dates at which records are available to June 30, 1913, the results
8774 of which are set forth in a separate report, we submit herewith, in narrative form as requested, an historical synopsis of the financial growth of the property comprehended in the Lehigh Valley Railroad Transportation System to June 30, 1913, in which we show the adjustment of the accounts at that date to the basis of cash or equivalent outlay, accepting as evidence of such, in some minor cases as hereinafter stated, original entries in the earlier years made on the books of acquiring companies where the books of the antecedent companies can-
8775 not now be found.

Yours truly,

HASKINS & SELLS,
Certified Public Accountants.

LEHIGH VALLEY RAILROAD COMPANY'S TRANSPORTATION SYSTEM CORPORATE COMPOSITION—JUNE 30, 1913

Lehigh Valley Railroad Co., incorporated in Pennsylvania April 21, 1846, as The Delaware, Lehigh, Schuylkill & Susquehanna Railroad Co.; name changed January 7, 1853. See accompanying Diagram of Antece-
8776 dents and Composition.

Lehigh Valley Railroad Co. of New Jersey, incorporated in New Jersey July 29, 1903. See accompanying Diagram of Antecedents and Composition.

The Lehigh Valley Rail Way Co., incorporated in New York June 23, 1890. See accompanying Diagram of Antecedents and Composition.

Pennsylvania & New York Canal & Railroad Co., incorporated in Pennsylvania April 21, 1858, as North Branch Canal Co.; name changed March 20, 1865; is without antecedents.

The Schuylkill & Lehigh Valley Railroad Co., incorporated in Pennsylvania March 11, 1887, and by merger succeeded: 8777

The Pottsville & New York Railroad Co., incorporated March 23, 1882.

Schuylkill & Lehigh Valley Railroad Co., incorporated October 9, 1886.

The Delaware, Susquehanna & Schuylkill Railroad Co., incorporated in Pennsylvania April 14, 1890: is without antecedents.

Loyalsock Railroad Co., incorporated in Pennsylvania December 3, 1884; absorbed by merger on September 2, 1904, The Wilkes-Barre & Harvey's Lake Railroad Co., incorporated September 24, 1885. 8778

Easton & Northern Railroad Co., incorporated in Pennsylvania May 28, 1889; is without antecedents.

Bay Shore Connecting Railroad Co., incorporated in New Jersey September 29, 1904 (equal joint interest with Central Railroad Co. of New Jersey); is without antecedents.

Montrose Railroad Co., incorporated in Pennsylvania October 26, 1905; acquired by purchase at sheriff's sale on September 2, 1905, property of Montrose Railway Co., incorporated April 15, 1869. 8779

Lehigh & New York Railroad Co., incorporated in New York August 24, 1895; acquired by purchase from Bondholders' Reorganization Committee on August 24, 1895, property of Southern Central Railroad Co., incorporated September 6, 1865, which had previously purchased at sheriff's sale on July 11, 1867, the property of The Lake Ontario, Auburn & New York Railroad Co., incorporated May 23, 1856, which was a reorganization of The Lake Ontario, Auburn & New York Railroad Co., incorporated August 23, 1852. 8780

Lehigh Valley Transportation Co., incorporated in New Jersey July 22, 1901, and succeeded to the property and business of The Lehigh Valley Transportation Co., incorporated in New York and whose charter had expired by statutory limitation.

Consolidated Real Estate Co., incorporated in Pennsylvania October 14, 1897.

8781 Pioneer Real Estate Co., incorporated in New York September 28, 1897.
United Real Estate Co., incorporated in New Jersey September 28, 1897.

FINANCIAL GROWTH OF LEHIGH VALLEY RAILROAD COMPANY'S PROPERTY

From the commencement of construction by Lehigh Valley Railroad Company, May 8, 1856, and the purchase of railroad property from Asa Packer in November,
8782 1856, for $2,580,000.00, to but not including the merger of Beaver Meadow Railroad & Coal Company and Penn Haven & White Haven Railroad Company with Lehigh Valley Railroad Company on the books at November 30, 1864, the property accounts of Lehigh Valley Railroad Company attained the aggregate amount of $5,489,912.77. Examination of the accounts discloses that this amount is composed of:

RAILROAD AND APPURTENANCES:

| | | | |
|---|---|---|---|
| 8783 | Cash Outlay ..... | $1,320,328.86 | |
| | Bonds issued in payment for property ..... | 1,020,000.00 | |
| | Stock issued in payment for property ..... | 1,758,660.00 | |
| | Total Cash or equivalent outlay ..... | $4,098,988.86 | |
| | Discount on Bonds and Stock ..... | 52,125.00 | $4,151,113.86 |
| 8784 | | | |
| | EQUIPMENT: | | |
| | Cash Outlay ..... | $1,192,277.95 | |
| | Bonds issued in payment for equipment ..... | 34,000.00 | |
| | Total Cash or equivalent outlay ..... | | 1,226,277.95 |
| | REAL ESTATE—Cash Outlay ..... | | 112,520.96 |
| | Total ..... | | $5,489,912.77 |

Books of account of Beaver Meadow Railroad & Coal Company cannot be found covering the period from incorporation on April 7, 1830, to January 5, 1853, but on the latter date they show for property: 8785

| | |
|---|---|
| Railroad and Appurtenances | $595,771.95 |
| Equipment | 36,878.04 |
| Real Estate | 66,692.76 |
| Total | $699,342.75 |

8786

The merger of this Company with Lehigh Valley Railroad Company on July 8, 1864, was given effect on the books at November 30, 1864, on which date the property of Beaver Meadow Railroad & Coal Company is shown to consist of:

| | |
|---|---|
| Railroad and Appurtenances | $1,240,248.00 |
| Equipment | 474,455.25 |
| Real Estate | 75,149.23 |
| Total | $1,789,852.48 |

8787

or an increase from January 5, 1853, to November 30, 1864, of $1,090,509.73. Examination of the accounts discloses that this increase is composed of:

RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay | $502,416.58 | |
| Capital Stock issued in payment for property | 44,000.00 | |
| Total Cash or equivalent outlay | $546,416.58 | |
| Written up for appreciation | 98,059.47 | $ 644,476.05 |

8788

EQUIPMENT:

| | | |
|---|---|---|
| Cash Outlay | $416,315.61 | |
| Capital Stock issued in payment for equipment | 11,000.00 | |

| | | | |
|---|---|---|---|
| 8789 | Total Cash or equivalent outlay | $427,315.61 | |
| | Written up for appreciation | 10,261.60 | 437,577.21 |
| | REAL ESTATE: | | |
| | Written up for appreciation | $ 13,835.42 | |
| | Less Excess of Sales over Cash Outlay | 5,378.95 | 8,456.47 |
| 8790 | Total | | $1,090,509.73 |

Books of account of Penn Haven & White Haven Railroad Company, which was incorporated May 4, 1857, show that from the commencement of construction in April, 1859, to November 30, 1864, the date on which the merger of August 8, 1864, was given effect on the books of account, the property account of this Company amounted to $715,028.65. Examination of this account
8791 discloses that it is composed of:

| | | | |
|---|---|---|---|
| | RAILROAD AND APPURTENANCES: | | |
| | Cash Outlay | | $626,893.34 |
| | Dividends charged to the account: | | |
| | Stock Dividend | $56,060.00 | |
| | Cash Dividend and Taxes Thereon | 32,075.31 | 88,135.31 |
| 8792 | Total | | $715,028.65 |

In the merger of Beaver Meadow Railroad & Coal Company and Penn Haven & White Haven Railroad Company into Lehigh Valley Railroad Company, on the books of account at November 30, 1864, Railroad and Appurtenances account was written up from $6,106,390.51 to $7,517,768.32, or $1,411,377.81, as more fully appears by the accompanying statement covering such merger.

Between November 30, 1864, and September 30, 1866, but not including the merger of The Lehigh & Mahanoy Railroad Company into Lehigh Valley Railroad Company, the latter's property accounts increased from $9,406,171.71 to $9,448,012.79 or $41,841.08. Examination of the accounts for this period discloses that this increase is composed of: 8793

| | | |
|---|---|---|
| Cash Outlay on Railroad and Appurtenances | $346,602.13 | |
| Cash Outlay on Equipment | 270,477.88 | |
| Cash Outlay on Real Estate | 5,261.07 | 8794 |
| | $622,341.08 | |
| less written out of Equipment account against Profit and Loss account | 580,500.00 | |
| leaving a net increase of | $41,841.08 | |

Accepting the property accounts of Beaver Meadow Railroad & Coal Company on January 5, 1853, as representing cash or equivalent outlay, the composition of the Property accounts of Lehigh Valley Railroad Company at September 30, 1866, before the merger therewith of The Lehigh & Mahanoy Railroad Company is as follows: 8795

RAILROADS AND APPURTENANCES:

| | | | |
|---|---|---|---|
| Cash or equivalent outlay in bonds and stocks issued in payment for property | $6,214,672.86 | | |
| Net Increase at mergers, written up for appreciation, and dividends charged up | 1,597,572.59 | | 8796 |
| Discount on Bonds and Stock | 52,125.00 | $7,864,370.45 | |

| | | | |
|---|---|---|---|
| 8797 | EQUIPMENT: | | |
| | Cash or equivalent outlay in bonds and stocks issued in payment for equipment .... .....| $1,960,949.48 | |
| | Less Net Amount Written Off against Profit and Loss account ..... | 570,238.40 | 1,390,711.08 |
| | REAL ESTATE: | | |
| 8798 | Cash or equivalent outlay in bonds and stocks issued in payment for real estate ..... | $179,095.84 | |
| | Written up for appreciation ..... | 13,835.43 | 192,931.26 |
| | Total Property accounts of Lehigh Valley Railroad Company at September 30, 1866, before merger therewith of The | | |
| 8799 | Lehigh & Mahanoy Railroad Company. | | $9,448,012.79 |

From incorporation on April 25, 1857, to purchase of the property by Asa Packer on June 11, 1862, under mortgage foreclosure, who subsequently transferred it to The Lehigh & Mahanoy Railroad Company, the Property account of the Quakake Railroad Company attained the amount of $667,345.68. Examination of the account discloses the following composition:

| | | |
|---|---|---|
| 8800 | Cash outlay for Construction..... | $327,345.68 |
| | Capital Stock issued in payment for Railroad Property ..... | 340,000.00 |
| | Total Cash or equivalent outlay for Railroad and Appurtenances ..... | $667,345.68 |

In taking over this property at the time of its incorporation on December 8, 1862, The Lehigh & Mahanoy

Railroad Company made entry therefor on its books of account in the amount of $270,000.00, which is $397,345.68 less than the cash or equivalent outlay on the Quakake Railroad up to the date of its acquisition. 8801

From this time to September 30, 1866, the date The Lehigh & Mahanoy Railroad Company was merged on the books of account into Lehigh Valley Railroad Company the Property accounts of The Lehigh & Mahanoy Railroad Company attained the aggregate of $2,108,183.68, making an increase in this period of $1,838,183.68. Examination of the accounts discloses that this increase is composed of: 8802

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Cash Outlay | $1,289,774.96 | |
| Discount on Stock, etc. | 153,000.00 | $1,442,774.96 |
| EQUIPMENT—Cash Outlay | | 385,300.00 |
| REAL ESTATE—Cash Outlay | | 10,108.72 |
| Total | | $1,838,183.68 |

8803

Combining the shrinkage in the Property account of the Quakake Railroad, amounting as previously stated to $397,345.68, and the Discount on Stock, etc., in the Property accounts of The Lehigh & Mahanoy Railroad Company prior to September 30, 1866, the net result is that the Property accounts after the merger show a book value of $244,345.68 less than the cash or equivalent outlay.

In the merger of The Lehigh & Mahanoy Railroad Company with Lehigh Valley Railroad Company, on the books as at September 30, 1866, no increase was made in the aggregate of the Property accounts of the two companies, stock of the Lehigh Valley Railroad Company having been issued dollar for dollar in exchange for stock of The Lehigh & Mahanoy Railroad Company and all other accounts having been merged without change. 8804

In the period between the merger on the books at September 30, 1866, of The Lehigh & Mahanoy Railroad

8805 Company into the Lehigh Valley Railroad Company, and the merger on the books at September 30, 1868, of Lehigh Luzerne Railroad Company into Lehigh Valley Railroad Company, the Property accounts of the latter increased from an aggregate of $11,556,196.47, at the close of September 30, 1866, to an aggregate of $15,081,705.03 at September 30, 1868 (not including the merger of Lehigh Luzerne Railroad Company), or $3,525,508.56. Examination of the accounts for this period discloses that this increase was composed of:

| | | | |
|---|---|---|---|
| 8806 | RAILROAD AND APPURTENANCES: | | |
| | Cash Outlay ..... | $2,555,364.99 | |
| | Capital Stock issued in payment for Railroad property ..... | 154,250.00 | |
| | | $2,709,614.99 | |
| | Less Written Off against Profit & Loss ..... | 60,500.00 | $2,649,114.99 |
| 8807 | EQUIPMENT: | | |
| | Cash Outlay ..... | $ 873,975.84 | |
| | Capital Stock issued in payment for Equipment. | 595,750.00 | |
| | | $1,469,725.84 | |
| | Less Written Off against Profit & Loss..... | 600,456.77 | 869,269.07 |
| | REAL ESTATE—Cash Outlay ..... | | 7,124.50 |
| 8808 | Total Increase in Property accounts.... | | $3,525,508.56 |

From the commencement of construction in April, 1856, to the merger on the books of account at September 30, 1868, of Lehigh Luzerne Railroad Company into Lehigh Valley Railroad Company, the Property accounts of the former attained an aggregate of $503,456.21. Ex-

amination of the accounts discloses that this amount is composed of: 8809

RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay ..... | $458,661.21 | |
| Discount on Stock, etc.... | 42,000.00 | $500,661.21 |
| EQUIPMENT—Cash Outlay ..... | | 2,145.00 |
| REAL ESTATE—Cash Outlay ..... | | 650.00 |
| Total ..... | | $503,456.21 |

8810

In the merger on the books at September 30, 1868, of Lehigh Luzerne Railroad Company into Lehigh Valley Railroad Company, the aggregate of the Railroad and Appurtenances accounts was increased in the amount of ..... $ 89,598.52
Profit & Loss account was decreased.... 95,151.48

Capital Stock was issued in addition to the aggregate of the Capital Stock of two Companies for the amount of... $184,750.00 8811

From September 30, 1868, to the merger on the books at November 30, 1868, of Hazleton Railroad Company into Lehigh Valley Railroad Company, the Property accounts of the latter increased from an aggregate of $15,674,759.76, to an aggregate of $16,026,940.52 (not including the merger of Hazleton Railroad Company), or $352,180.76. Examination of the accounts discloses that this increase is composed entirely of cash outlay as follows: 8812

| | |
|---|---|
| RAILROAD AND APPURTENANCES ..... | $160,114.35 |
| EQUIPMENT ..... | 148,856.18 |
| REAL ESTATE ..... | 43,210.23 |
| Total Cash Outlay . | $352,180.76 |

Books of account of Hazleton Railroad Company cannot be found covering the period from incorporation on March 18, 1836, as Hazleton Coal Company, to May 8,

8813 1839, but at the latter date the books show that the property consisted of:

| | |
|---|---|
| Railroad and Appurtenances | $155,950.24 |
| Equipment | 36,971.69 |
| Real Estate | 121,155.11 |
| Total | $314,077.04 |

8814 From May 8, 1839, to the merger on the books of account at November 30, 1868, of Hazleton Railroad Company into Lehigh Valley Railroad Company, the Property accounts of the former increased from $314,077.04 to $2,198,213.87, or $1,884,136.83. Examination of the accounts discloses that this increase is composed of:

| | | |
|---|---|---|
| Railroad and Appurtenances: | | |
| Cash Outlay | $557,549.99 | |
| Written Up for Appreciation | 286,000.00 | $ 843,549.99 |
| 8815 Equipment—Cash Outlay | | 231,416.07 |
| Real Estate: | | |
| Cash Outlay | $255,170.77 | |
| Capital Stock issued in Payment for Real Estate | 100,000.00 | |
| Total Cash or equivalent outlay | $355,170.77 | |
| Written Up for Appreciation | 454,000.00 | 809,170.77 |
| 8816 Total | | $1,884,136.83 |

In the merger on the books at November 30, 1868, of Hazleton Railroad Company into Lehigh Valley Railroad Company, no increase was made in the aggregate of the property accounts of the two Companies. The Common Capital Stock of Lehigh Valley Railroad Company was increased at that time by a stock dividend out of surplus in the amount of $235,000.00.

There have been no mergers into Lehigh Valley Railroad Company since the merger of Hazleton Railroad Company. Accepting the Property accounts of Beaver Meadow Railroad & Coal Company on January 5, 1853, and of Hazleton Railroad Company on May 8, 1839, prior to which dates no books of account can be found for the respective Companies, as representing cash or equivalent outlay, the composition of the Property accounts of Lehigh Valley Railroad Company at November 30, 1868, after the merger therewith of Hazleton Railroad Company, is as follows: 8817 8818

| | | | |
|---|---|---|---|
| RAILROAD AND APPURTENANCES: | | | |
| Cash or equivalent outlay in bonds and stock issued in payment for property | $12,213,684.28 | | |
| Net Increase at Mergers, written up for appreciation, and dividends charged up | 1,515,325.43 | | |
| Discount on bonds and stocks | 247,125.00 | $13,976,134.71 | 8819 |
| EQUIPMENT: | | | |
| Cash or equivalent outlay in bonds and stock issued in payment for equipment | $ 4,235,364.26 | | |
| Less Net Amount Written Off against Profit & Loss account | 1,170,695.17 | 3,064,669.09 | 8820 |
| REAL ESTATE: | | | |
| Cash or equivalent outlay in bonds and stocks issued in payment for real estate | $ 716,515.17 | | |
| Written Up for Appreciation | 467,835.42 | 1,184,350.59 | |
| Total | | $18,225,154.39 | |

8821 In the period of twenty-five years from November 30, 1868, to November 30, 1893, on which latter date the lease of the Company's properties by the Philadelphia & Reading Railroad Company was terminated, the property accounts of Lehigh Valley Railroad Company increased from $18,225,154.39 to $41,801,959.12 or $23,576,804.73. Examination of the accounts discloses that this increase is composed of:

| | | | |
|---|---|---|---|
| | Railroad and Appurtenances—Cash Outlay | | |
| 8822 | | | $ 4,097,262.54 |
| | Equipment: | | |
| | Cash Outlay | $20,343,537.35 | |
| | Less Written Off against Profit & Loss account | 2,049,787.62 | 18,293,749.73 |
| | Real Estate: | | |
| | Cash Outlay | $ 1,471,906.17 | |
| 8823 | Bonds and Stock issued in Payment for Real Estate | 110,700.00 | |
| | Total Cash or equivalent outlay | $ 1,582,606.17 | |
| | Less Written Off against Profit & Loss account for Depreciation | 396,813.71 | 1,185,792.46 |
| 8824 | Total Increase in Property accounts from November 30, 1868, to November 30, 1893 | | $23,576,804.73 |

The following is the accumulated composition of the property accounts of Lehigh Valley Railroad Company and all the Companies merged therewith down to November 30, 1893, the date of the termination of the lease by Philadelphia & Reading Railroad Company and at the close of which Lehigh Valley Railroad Company re-

entered into the possession and operation of its properties: 8825

RAILROAD AND APPURTENANCES:

| | | | |
|---|---|---|---|
| Cash or equivalent outlay in bonds and stocks issued in payment for property | $16,310,946.82 | | |
| Net Increase at Mergers, Written Up for Appreciation, and Dividends charged up | 1,515,325.43 | | 8826 |
| Discount on Bonds and Stocks | 247,125.00 | $18,073,397.25 | |

EQUIPMENT:

| | | | |
|---|---|---|---|
| Cash or equivalent outlay in bonds and stocks issued in payment for equipment | $24,578,901.61 | | |
| Less Net Amount Written Off, | 3,220,482.79 | 21,358,418.82 | 8827 |

REAL ESTATE:

| | | | |
|---|---|---|---|
| Cash or equivalent outlay in bonds and stocks issued in payment for real estate | $ 2,299,121.34 | | |
| Net Amount Written Up for Appreciation | 71,021.71 | 2,370,143.05 | 8828 |
| Total Property Accounts of Lehigh Valley Railroad Company at November 30, 1893, | | $41,801,959.12 | |

In the period from November 30, 1893, to June 30, 1913, the Railroad and Appurtenances account of Lehigh Valley Railroad Company increased from $18,073,397.25,

8829 to $23,245,794.87, or $5,172,397.62, which, by examination of the accounts is found to consist of the following:

RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay ..... | $ 5,585,647.50 | |
| Less property abandoned from June 30, 1907, to June 30, 1913..... | 225,922.02 | |
| 8830 Net Cash Outlay for the period ..... | $ 5,359,725.48 | |
| Less Written Off as for Depreciation ..... | 187,327.86 | |
| Increase in Railroad and Appurtenances of Lehigh Valley Railroad Company from November 30, 1893, to June 30, 1913..... | | $5,172,397.62 |

8831 In examination of the Equipment account of Lehigh Valley Railroad Company for the period from November 30, 1893, to June 30, 1913, it is found that on November 30, 1897, there was written out of the account, for equipment permanently retired from service and on account of depreciation, $5,058,827.98, and that on June 30, 1903, concurrent with a thorough inventory and appraisal of
8832 the Company's equipment, there was written back into the account $3,500,000.00. The inventory and appraisal of equipment at June 30, 1903, was made for the entire transportation system, and the aggregate value thereby ascertained was ..... $35,548,608.81

If the adjustments of November 30, 1897, and June 30, 1903, had not been made in the Equipment accounts, the net book value of the equipment of the entire transportation system at June 30, 1903, would have been..... $34,669,030.50 8833

The excess of appraised value over such adjusted book value, amounting to.. $879,578.31
bears so small a ratio to the total value involved that the inventory and appraisal fairly may be accepted as proof of the integrity of the Equipment net book value at June 30, 1903, adjusted by elimination of the writing down at November 30, 1897, and the writing up at June 30, 1903. So adjusted, the Company's Equipment account at June 30, 1913, would be increased from $49,614,-155.49, to ..... $51,172,983.47 8834

The Company's Equipment account at November 30, 1893, was ..... 21,358,418.82 8835

So that, exclusive of the adjustments at November 30, 1897, and June 30, 1903, the increase in the Equipment account from November 30, 1893, to June 30, 1913, is..... $29,814,564.65
which, by examination of the account is found to consist of the following:

EQUIPMENT: 8836

| | |
|---|---|
| Cash Outlay, less proceeds from sales of equipment ..... ..... | $17,377,998.43 |
| Equipment paid for in Equipment Bonds and Trust Certificates ..... | 16,563,000.00 |

8837 Total Cash or equivalent outlay for the period..$33,940,998.43
Less Equipment Written Off ..... 4,126,433.78

Increase in Equipment Account of Lehigh Valley Railroad Company from November 30, 1893, to June 30, 1913, adjusted as aforesaid.. $29,814,564.65

8838 In the period from November 30, 1893, to June 30, 1913, the Real Estate Account of Lehigh Valley Railroad Company decreased from $2,370,143.05, to $479,785.99, or $1,890,357.06, which, by examination of the account is found to consist of the following:

REAL ESTATE:

Proceeds from Sales.....$2,787,614.78
Less:
Cash Outlay $876,701.00
8839 Amount Written Up ... 20,556.72 897,257.72

Decrease in Real Estate Account of Lehigh Valley Railroad Company from November 30, 1893, to June 30, 1913..... $1,890,357.06

8840 The following is a summary of the accumulated composition of the property accounts of Lehigh Valley Railroad Company to June 30, 1913, with the Equipment account adjusted by exclusion of the amount of $5,058,827.98 written down at November 30, 1897, and $3,500,000.00 written up at June 30, 1903:

RAILROAD AND APPURTENANCES:

Cash or equivalent outlay in bonds and stocks issued in payment for property, less property abandoned from June 30, 1907, to June 30, 1913.$21,670,672.30

| | | | |
|---|---|---|---|
| Net increase at mergers, written up for appreciation, and dividends charged up ..... | 1,327,997.57 | | 8841 |
| Discount on bonds and stocks ..... ..... | 247,125.00 | $23,245,794.87 | |
| EQUIPMENT: | | | |
| Cash or equivalent outlay in bonds and stocks issued in payment for Equipment ..... .....$58,519,900.04 | | | 8842 |
| Less net amount written off, not including the amount of $5,058,827.98, written off at November 30, 1897, and the amount of $3,500,000.00 written up at June 30, 1903.... | 7,346,916.57 | 51,172,983.47 | |
| REAL ESTATE: | | | |
| Cash or equivalent outlay in bonds and stocks issued in payment for Real Estate in excess of proceeds from sales of Real Estate .....$ | 388,207.56 | | 8843 |
| Net amount written up for appreciation ..... | 91,578.43 | 479,785.99 | |
| Total property accounts of Lehigh Valley Railroad Company at June 30, 1913, with Equipment account adjusted as herein before stated..... | | $74,898,564.33 | 8844 |

FINANCIAL GROWTH OF PROPERTY OF LEHIGH VALLEY RAILROAD COMPANY OF NEW JERSEY.

From the dates of organization of Perth Amboy & Bound Brook Railroad Company on March 11, 1858, and of Bound Brook & Easton Railroad Company on March

8845 1, 1872, to their merger on the books at November 30, 1872, with Easton & Amboy Railway Company, and from the commencement of construction of the latter in June, 1871, to November 30, 1872, the Property accounts were composed entirely of cash outlay for—

RAILROAD AND APPURTENANCES .....$559,936.24,

and in the merger of the accounts on the books they were put together without increase or decrease.

Between November 30, 1872, and the merger on the books at July 31, 1903, of Easton & Amboy Railway Com-
8846 pany into Lehigh Valley Railroad Company of New Jersey, the Property accounts of the former increased from $559,936.24 to an aggregate of $12,183,774.05. Examination of the books discloses that the latter amount is composed of:

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Cash Outlay for Organization, Right-of-way, Terminals Real Estate, and Construction..... | $9,839,227.32 | |
| 8847 Cash Outlay for Interest during Construction .. | 313,035.36 | |
| Capital Stock of Lehigh Valley Railroad Company issued in part payment for Cost of Construction ..... ..... | 174,450.00 | |
| Total Cash or equivalent outlay .....$10,326,712.68 | | |
| 8848 Discount on Bonds of Lehigh Valley Railroad Company, the proceeds of which were used in construction of Easton & Amboy Railway .... | 591,666.44 | $10,918,379.12 |
| FLOATING EQUIPMENT—Cash Outlay ..... | | 1,265,394.93 |
| Total to July 31, 1903..... | | $12,183,774.05 |

Between the dates of the respective organizations of: 8849
Roselle & South Plainfield Railway Company, November 30, 1885,
Jersey City Terminal Railway Company, July 23, 1888,
Jersey City, Newark & Western Railway Company, July 6, 1889,
Newark & Roselle Railway Company, August 28, 1889,
Newark & Passaic Railway Company, November 22, 1889,
Edgewater Railway Company, January 27, 1890,
Newark Railway Company, December 10, 1890,
and their merger on the books at August 31, 1891, in the 8850
formation therefrom of Lehigh Valley Terminal Railway Company, the Property accounts of the several merged Companies attained the aggregate amount of $9,098,-066.05. Examination of the books of account of the several Companies discloses that this aggregate is composed of:

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Cash Outlay for Organization, Right-of-way, Terminals Real Estate, and Construction ..... | $6,108,145.90 | 8851 |
| Cash Outlay for Interest, Expenses, and Taxes during Construction ... | 243,811.17 | |
| Bonds of Morris Canal & Banking Company delivered in part payment for Morris Canal Basin Property, Jersey City, N. J. ..... | 500,000.00 | |
| Total Cash or equivalent outlay ..... | $6,851,957.07 | 8852 |
| Appreciation Written Up on Terminals Real Estate ..... | 2,246,108.98 | $9,098,066.05 |

8853 Between August 31, 1891, and the merger on the books at July 31, 1903, of Lehigh Valley Terminal Railway Company into Lehigh Valley Railroad Company of New Jersey, the Property accounts of the former increased from $9,098,066.05, to an aggregate of $12,967,167.82. Examination of the books discloses that the latter amount is composed of:

| | | | |
|---|---|---|---|
| | RAILROAD AND APPURTENANCES: | | |
| 8854 | Cash Outlay for Organization, Right-of-way, Terminals Real Estate, and Construction..... | $8,056,899.64 | |
| | Cash Outlay for Interest, Expenses, and Taxes during Construction .. | 243,811.17 | |
| 8855 | Bonds of Morris Canal & Banking Company delivered in part payment for Morris Canal Basin Property, Jersey City, N. J. ..... | 500,000.00 | |
| | Total Cash or equivalent outlay ..... | $8,800,710.81 | |
| | Discount on Bonds ..... | 850,000.00 | |
| | Appreciation Written Up on Terminals Real Estate ..... | 2,246,108.98 | $11,896,819.79 |
| 8856 | RAILROAD EQUIPMENT—Cash Outlay ..... | | 1,070,348.03 |
| | Total to July 31, 1903..... | | $12,967,167.82 |

In addition to Easton & Amboy Railroad Company and Lehigh Valley Terminal Railway Company there were merged on the books at July 31, 1903, in the creation of Lehigh Valley Railroad Company of New Jersey

—Middlesex Railway Company, organized November 30, 1886; Pittstown Branch Railway Company, organized March 6, 1890; Perth Amboy & Raritan Railway Company, organized June 24, 1890; Greenville & Hudson Railway Company, organized October 31, 1895. Examination of the books of account of these four Companies from the dates of their respective organizations to July 31, 1903, discloses no other charges to Property accounts than cash outlay for— 8857

RAILROAD AND APPURTENANCES ..... $1,322,739.00,

and examination of the books also discloses that there was neither increase nor decrease in the aggregate of the Property accounts of the six Companies merged into and out of which Lehigh Valley Railroad Company of New Jersey was created. A summary, therefore, of the composition of the Property accounts of Lehigh Valley Railroad Company of New Jersey, as opened on the books at July 31, 1903, is as follows: 8858

RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay for Organization, Right-of-way, Terminals, Real Estate, and Construction ..... | $19,218,865.96 | 8859 |
| Cash outlay for Interest, Expenses, and Taxes during Construction .. | 556,846.53 | |
| Bonds of Morris Canal & Banking Company delivered in part payment for Morris Canal Basin Property, Jersey City, N. J. ..... | 500,000.00 | 8860 |
| Capital Stock of Lehigh Valley Railroad Company issued in part payment for Cost of Construction ..... | 174,450.00 | |

| | | | |
|---|---|---|---|
| 8861 | Total Cash or equivalent outlay ..... | $20,450,162.49 | |
| | Discount on Bonds of Lehigh Valley Railroad Company the proceeds of which were used in construction of Easton & Amboy Railway..... | 591,666.44 | |
| 8862 | Discounts on Bonds of Lehigh Valley Terminal Railway Company | 850,000.00 | |
| | Appreciation Written Up on Terminals Real Estate ..... | 2,246,108.98 | $24,137,937.91 |
| | RAILROAD EQUIPMENT—Cash Outlay ..... | | 1,070,348.03 |
| | FLOATING EQUIPMENT—Cash Outlay ..... | | 1,265,394.93 |
| 8863 | Total Property Accounts of Lehigh Valley Railroad Company of New Jersey as opened on the books at July 31, 1903 ..... | | $26,473,680.87 |

Between July 31, 1903, and the merger on the books at April 30, 1905, of National Docks Railway Company into Lehigh Valley Railroad Company of New Jersey, the Property accounts of the latter decreased from $26,473,680.87, to $25,105,696.76, or $1,367,984.11 by realization from Pennsylvania Railroad Company and others of proportions of joint expenditures in connec-
8864 tion with the construction of railroad, $68,213.18, by proceeds from sales of land, $34,376.00, and by sale and transfer of Floating Equipment to Lehigh Valley Transportation Company of New Jersey for the cash outlay thereon of $1,265,394.93. So that, on April 30, 1905, and prior to the merger therewith of National Docks Railway Company, the composition of the Property accounts of Lehigh Valley Railroad Company of New Jersey was as follows:

| | | | |
|---|---|---|---|
| RAILROAD AND APPURTENANCES: | | | 8865 |
| Cash Outlay for Organization, Right-of-way, Terminals Real Estate, and Construction .... | $19,116,276.78 | | |
| Cash Outlay for Interest, Expenses, and Taxes during Construction .. | 556,846.53 | | |
| Bonds of Morris Canal & Banking Company delivered in part payment for Morris Canal Basin Property, Jersey City, N. J. ..... | 500,000.00 | | 8866 |
| Capital Stock of Lehigh Valley Railroad Company issued in part payment for Cost of Construction ..... | 174,450.00 | | |
| Total Cash or equivalent outlay ..... | $20,347,573.31 | | 8867 |
| Discount on Bonds of Lehigh Valley Railroad Company the proceeds of which were used in construction of Easton & Amboy Railway .... | 591,666.44 | | |
| Discount on Bonds of Lehigh Valley Terminal Railway Company .... | 850,000.00 | | |
| Appreciation Written Up on Terminal Real Estate ..... | 2,246,108.98 | $24,035,348.73 | 8868 |
| RAILROAL EQUIPMENT—Cash Outlay ..... | | 1,070,348.03 | |
| Total Property Accounts of Lehigh Valley Railroad Company of New Jersey as opened on the books at April 30, 1905 ..... | | $25,105,696.76 | |

8869 From the organization of The National Docks Railway Company on July 9, 1879, to the merger on the books at April 30, 1905, of National Docks Railway Company into Lehigh Valley Railroad Company of New Jersey, there were involved the Companies out of which National Docks Railway Company was created by the merger of August 27, 1891, viz.:

The National Docks Railway Company, organized July 9, 1879,

The Bergen Neck Railway Company, organized July 20,
8870 1885,

Jersey City & Western Railway Company, organized January 28, 1889, and

National Docks Railway Company as so constituted until the subsequent merger therein on January 24, 1898, of:

Kill von Kull Railway Company, organized July 20, 1885,

National Docks & New Jersey Junction Connecting Railway Company, organized December 10, 1888,

8871 Bay Creek Railway Company, organized May 15, 1894, and

National Docks Railway Company as so constituted until its merger on the books at April 30, 1905, into Lehigh Valley Railroad Company of New Jersey.

From the books of account of The Bergen Neck Railway Company, Kill von Kull Railway Company, and National Docks & New Jersey Junction Connecting Railway Company, it appears that these Companies did not make the expenditures for the construction of their property, since their books contained regular entries crediting
8872 National Storage Company from time to time for expenditures made in the purchase of right-of-way, and in the construction of their railways. The books of National Storage Company have not been available for examination.

Books of account of Jersey City & Western Railway Company cannot be found. The expenditures for the construction of this railway were made by National Storage Company, whose books are not available. In the original entries on the books of National Docks Railway

Company, as first constituted by the merger of the three Companies, the construction cost of Jersey City & Western Railway is shown as $532,319.53. 8873

Examination of the accounts of The National Docks Railway Company, Bay Creek Railway Company, and National Docks Railway Company, and accepting as evidence of cash outlay the records mentioned in respect of The Bergen Neck Railway Company, Jersey City & Western Railway Company, Kill von Kull Railway Company, and National Docks & New Jersey Junction Railway Company, discloses composition of the Property accounts of National Docks Railway Company when it was merged on the books at April 30, 1905, into Lehigh Valley Railroad Company of New Jersey, as follows: 8874

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Cash Outlay for Construction | $3,756,366.87 | |
| Cash Outlay for Interest and Taxes | 204,010.63 | |
| Total Cash Outlay | $3,960,377.50 | 8875 |
| Less Reductions in Property Accounts at the two mergers | 9,006.72 | $3,951,370.78 |
| EQUIPMENT—Cash Outlay | | 9,348.23 |
| Total Property Accounts of National Docks Railway Company at April 30, 1905 | | $3,960,719.01 |

8876

In the merger on the books at April 30, 1905, of National Docks Railway Company into Lehigh Valley Railroad Company of New Jersey, there was neither increase nor decrease in the aggregate of the accounts of the two Companies, but they were put together dollar for dollar.

Between April 30, 1905, and June 30, 1906, not including the merger of Irvington Railroad Company, the

8877 property accounts of Lehigh Valley Railroad Company of New Jersey, decreased as follows:

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Proceeds from Sales of Real Estate in Excess of Purchases | $ 4,150.00 | |
| Written Off to Profit & Loss account | 526,312.67 | $ 530,462.67 |
| EQUIPMENT: | | |
| 8878 Sale and Transfer of Railroad Equipment to Lehigh Valley Railroad Company, leaving in the Equipment Account only that acquired in the merger of National Docks Railway Company | | 1,070,348.03 |
| 8879 Total Decrease of Property Accounts in this period | | $1,600,810.70 |

Examination of the books of Irvington Railroad Company covering the period from organization on September 29, 1904, to merger on the books at June 30, 1906, into Lehigh Valley Railroad Company of New Jersey, discloses that the property account of the former is composed entirely of cash outlay for—

| | | |
|---|---|---|
| 8880 RAILROAD AND APPURTENANCES | $ | 255,089.20 |

In the merger of Irvington Railroad Company into Lehigh Valley Railroad Company of New Jersey, the aggregate of the property accounts was reduced in—

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES | $ | 5,089.20 |

The following is the accumulated composition of the property accounts of Lehigh Valley Railroad Company of New Jersey and all the Companies merged therewith down to June 30, 1906:

| | | | |
|---|---|---|---|
| RAILROAD AND APPURTENANCES: | | | 8881 |
| Cash Outlay for organization, Right-of-way, Terminals Real Estate and Construction ..... | $23,123,582.85 | | |
| Cash Outlay for Interest, Expenses, and Taxes during Construction .. | 760,857.16 | | |
| Bonds of Morris Canal & Banking Company delivered in part payment for Morris Canal Basin property, Jersey City, N. J. ..... | 500,000.00 | | 8882 |
| Capital Stock of Lehigh Valley Railroad Company issued in part payment for Cost of Construction ..... | 174,450.00 | | |
| Total Cash or equivalent outlay ..... | $24,558,890.01 | | 8883 |
| Discount on Bonds of Lehigh Valley Railroad Company the proceeds of which were used in construction of Easton & Amboy Railway .... | 591,666.44 | | |
| Discount on Bonds of Lehigh Valley Terminal Railway Company .... | 850,000.00 | | |
| Appreciation written up on Terminals Real Estate, less amounts written off to Profit & Loss Account, and Reductions at Mergers... | 1,705,700.39 | $27,706,256.84 | 8884 |
| EQUIPMENT—Cash outlay ..... | | 9,348.23 | |
| Total Property Accounts of Lehigh Valley Railroad Company of New Jersey at June 30, 1906..... | | $27,715,605.07 | |

8885 On May 9, 1913, Lehigh Valley Railroad Company of New Jersey acquired the properties previously owned by Jersey City Belt Line Railway Company and Newark Bay Railway Company, and paid therefor the actual cash outlay of the respective Companies from the respective dates of their organization, viz:

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Jersey City Belt Line Railway Company ..... | $47,403.76 | |
| 8886 Newark Bay Railway Company ..... ..... | 5,180.83 | $52,584.59 |

Including the amounts paid for these properties, the property accounts of Lehigh Valley Railroad Company of New Jersey increased in the period from June 30, 1906, to June 30, 1913, from an aggregate of $27,715,-605.07, to an aggregate of $29,876,430.49, or $2,160,-825.42, which, by examination of the accounts, is found to consist of the following:

| | | |
|---|---|---|
| 8887 RAILROAD AND APPURTENANCES: | | |
| Cash Outlay in excess of proceeds realized from sales of property | $2,138,378.05 | |
| Cost of property formerly owned by Jersey City Belt Line Railway Company ..... | 47,403.76 | |
| Cost of property forformerly owned by | | |
| 8888 Newark Bay Railway Company ..... | 5,180.83 | |
| Total Cash Outlay..... | $2,190,962.64 | |
| Less Property abandoned from June 30, 1907, to June 30, 1913 ..... | 30,137.22 | $2,160,825.42 |

The accumulated composition of property accounts of Lehigh Valley Railroad Company of New Jersey, and of all the Companies merged therein and properties purchased down to June 30, 1913, is as follows: 8889

RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay for organization, Right-of-way, Terminals Real Estate, Construction, and Properties Purchased | $25,314,545.49 | |
| Cash Outlay for Interest, Expenses, and Taxes during construction | 760,857.16 | 8890 |
| Bonds of Morris Canal & Banking Company delivered in part payment for Morris Canal Basin Property, Jersey City, N. J. | 500,000.00 | |
| Capital Stock of Lehigh Valley Railroad Company issued in part payment for Cost of Construction | 174,450.00 | 8891 |
| Total Cash or equivalent outlay | $26,749,852.65 | |
| Less Property abandoned from June 30, 1907, to June 30, 1913 | 30,137.22 | |
| Net Cash or equivalent outlay | $26,719,715.43 | 8892 |
| Discount on Bonds of Lehigh Valley Railroad Company the proceeds of which were used in construction of Easton & Amboy Railway | 591,666.44 | |

| | | | |
|---|---|---|---|
| 8893 | Discount on Bonds of Lehigh Valley Terminal Railway Company .... | 850,000.00 | |
| | Appreciation Written Up on Terminals Real Estate, less amounts Written Off to Profit & Loss Account and Reductions at Mergers | 1,705,700.39 | $29,867,082.26 |
| 8894 | EQUIPMENT—Cash Outlay ..... | | 9,348.23 |
| | Total Property Accounts of Lehigh Valley Railroad Company of New Jersey at June 30, 1913.. | | $29,876,430.49 |

FINANCIAL GROWTH OF THE LEHIGH VALLEY RAILWAY COMPANY'S PROPERTY.

8895 Examination of the accounts of the antecedents of The Geneva & Van Ettenville Railway Company, including the accounts of that Company from organization on March 7, 1889, to the merger therein on the books at June 30, 1890, of The Geneva & Sayre Railroad Company and Auburn & Ithaca Railway Company, discloses the following condition in the property accounts of the several Companies, involved, viz.:

RAILROAD AND APPURTENANCES:

| | | | |
|---|---|---|---|
| | The Geneva & Ithaca Rd. Co.: | | |
| 8896 | Cash Outlay from organization to merger on May 25, 1874, into Geneva, Ithaca & Athens Rd. Co. .....$ | 566,699.64 | |
| | Bonds issued in payment for Construction and Real Estate ..... | 534,600.00 | |
| | Capital Stock issued in payment for Construction and Real Estate.. | 206,700.00 | |

| | | |
|---|---|---|
| Ithaca & Athens Rd. Co.: | | 8897 |
| Books for this Company cannot be found covering the period from organization to June 30, 1872, but on the latter date its books show for Railroad and Appurtenances ..... | 982,486.87 | |
| Cash Outlay from June 30, 1872, to merger into Geneva, Ithaca & Athens Rd. Co., on May 25, 1874 ..... | 160,953.15 | 8898 |
| Geneva, Ithaca & Athens Rd. Co.: | | |
| Cash Outlay from organization to purchase by The Geneva, Ithaca & Sayre Rd. Co., at foreclosure sale June 30, 1876 ..... | 98,948.49 | 8899 |
| The Cayuga Southern Rd. Co.: | | |
| Books of account of this Company and of its antecedents cannot be found. When the merger was made on the books at April 30, 1879, into The Geneva, Ithaca & Sayre Rd. Co., entry was made of its Railroad and Appurtenances in the amount of ..... | 418,050.00 | 8900 |
| The Geneva, Ithaca & Sayre Rd. Co.: | | |
| Cash Outlay from June 30, 1876, to August 27, 1889, when purchased under foreclosure by The Geneva & Sayre Rd. Co. ..... | 113,399.67 | |

| | | | |
|---|---|---|---|
| 8901 | The Geneva & Sayre Rd. Co., from organization to merger on June 30, 1890, into Geneva & Van Ettenville Ry. Co. | Nil. | |
| | Auburn & Ithaca Ry. Co.: Books of account of the antecedents of this Company cannot be found. | | |
| 8902 | Cash Outlay from its organization to merger on June 30, 1890, into Geneva & Van Ettenville Ry. Co. ..... | 171,577.54 | |
| | Forward ..... | | $3,253,415.36 |
| | RAILROAD AND APPURTENANCES —(Forward)..... | | $3,253,415.36 |
| 8903 | Geneva & Van Ettenville Ry. Co.: Cash Outlay from organization to merger on June 30, 1890, into Lehigh Valley R. W. Co. ..... | 21,915.53 | |
| 8904 | Total Cash or equivalent outlay, accepting as evidence thereof in the absence of books of account, the records and entries stated ..... | | $3,275,330.89 |
| | Less Shrinkages through corporate mergers or purchases at foreclosure sales as shown by the accompanying statement ..... | 1,420,646.19 | $1,854,684.70 |

| | | | |
|---|---|---|---|
| EQUIPMENT: | | | 8905 |
| Ithaca & Athens Rd. Co.: | | | |
| No books of account prior to June 30, 1872. Amount shown by the books at that date....$ | 161,408.75 | | |
| The Geneva, Ithaca & Sayre Rd. Co.: | | | |
| Cash Outlay ..... | 28,186.35 | | |
| The Cayuga Southern Rd. Co.: | | | 8906 |
| Cash Outlay ..... | 6,950.00 | | |
| Total Cash or equivalent outlay, accepting as evidence thereof in the absence of books of account, the record made on the books of Ithaca & Athens Rd. Co., at June 30, 1872 ..$ | 196,545.10 | | |
| Less Shrinkage through corporate mergers or purchases at foreclosure sales as shown by the accompanying statement ..... | 196,545.10 | Nil. | 8907 |
| Total Property Accounts of Geneva & Van Ettenville Co., as merged on the books at June 30, 1890, into The Lehigh Valley Rail Way Co. ..... | | $1,854,684.70 | 8908 |

Books of account of Buffalo & Geneva Railway Company cannot be found covering the period from its organization on February 28, 1889, to its merger on the books at June 30, 1890, into The Lehigh Valley Rail

8909 Way Company. In that merger the property was taken in for—

RAILROAD AND APPURTENANCES ..... $598,249.51

Examination of the accounts of Lehigh Valley Railway Company from its organization on March 23, 1882, to its merger on the books at June 30, 1890, into The Lehigh Valley Rail Way Company discloses that the property accounts consisted entirely of cash outlay for—

8910 RAILROAD AND APPURTENANCES ..... $2,740,318.13

At the time of the merger on the books at June 30, 1890, of
Geneva & Van Ettenville Railway Company.
Buffalo & Geneva Railway Company
Lehigh Valley Railway Company
into The Lehigh Valley Rail Way Company, the property accounts were put together without increase or decrease.

8911 Examination of the accounts of The Rochester & Southern Railroad Company and The Rochester & Honeoye Valley Railroad Company covering the periods from their respective organizations to their merger on August 14, 1895, in the formation of Rochester Southern Railroad Company and of the accounts of the latter until its merger on August 3, 1903, into The Lehigh Valley Rail Way Company discloses that the accumulated property accounts of this group to August 3, 1903, were composed of:

8912 RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay ..... | $ 885,735.49 | |
| Capital Stock issued in payment for Right-of-way and for Terminal Property at Rochester. | 373,000.00 | |
| Total Cash or equivalent Outlay ..... | $1,258,735.49 | |
| Discount on Bonds ..... | 31,875.00 | $1,290,610.49 |

Examination of the accounts of The Depew & Tonawanda Railroad Company from organization to merger on August 3, 1903, into The Lehigh Valley Rail Way Company discloses that the property accounts of the former are composed entirely of Cash Outlay for: 8913

RAILROAD AND APPURTENANCES ..... $ 743,571.18

Examination of the accounts of The Seneca County Railway from organization to merger on August 3, 1903, into The Lehigh Valley Rail Way Company discloses that the property accounts of the former are composed entirely of Cash Outlay for: 8914

RAILROAD AND APPURTENANCES ..... $ 144,063.98

Examination of the accounts of the Middlesex Valley Railroad Company from organization to merger on August 3, 1903, into The Lehigh Valley Rail Way Company discloses that the property accounts of the former are composed entirely of Cash or equivalent Outlay, viz.:

| | | | |
|---|---|---|---|
| RAILROAD AND APPURTENANCES: | | | 8915 |
| Cash Outlay ..... | 77,850.29 | | |
| Bonds issued in payment for purchase of property ..... | 68,500.00 | | |
| Bonds issued in payment for construction under contract ..... | 440,000.00 | | |
| Capital Stock issued in payment for construction under contract ... | 500,000.00 | | 8916 |
| Total Cash or equivalent Outlay ..... | | $1,086,350.29 | |
| EQUIPMENT—Cash Outlay ..... | | 10,768.00 | |
| Total ..... | | $1,097,118.29 | |

8917 Examination of the accounts of The Waverly & State Line Railway Company from organization to merger on August 3, 1903, into The Lehigh Valley Rail Way Company discloses that the property accounts of the former are composed entirely of cash outlay for:

| | |
|---|---|
| RAILROAD AND APPURTENANCES ..... | $64,398.05 |

Examination of the accounts of The Lehigh Valley Rail Way Company covering the period from June 30, 8918 1890, to the merger therewith on August 3, 1903, of the hereinbefore mentioned companies discloses charges to its property accounts for the following:

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Cash outlay in purchase of property and for construction, less proceeds from sale of real estate in Buffalo..... | $13,701,174.55 | |
| 8919 Interest on funds borrowed and used in purchase of property and for construction ..... | 2,088,719.27 | |
| Total cash outlay ..... | $15,789,893.82 | |
| Discount on bonds..... | 982,500.00 | |
| Written up for appreciation ..... | 1,503,172.76 | $18,275,566.58 |
| EQUIPMENT—CASH OUTLAY..... | | 1,340,715.00 |
| 8920 Total charges to property accounts of The Lehigh Valley Rail Way Company from June 30, 1890, to August 3, 1903 ..... | | $19,616,281.58 |

In the mergers on the books at August 3, 1903, wherein the aforementioned five companies were consolidated with The Lehigh Valley Rail Way Company, all the ac-

counts of the six companies were put together without increase or decrease and capital shares of The Lehigh Valley Rail Way Company were issued in exchange for the capital shares of the other companies, dollar for dollar. A summary of the composition of the property accounts after the mergers of that date is as follows: 8921

RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay | $19,490,605.69 | |
| Original entries on books of acquiring companies, where books of account of the acquired properties cannot be found, accepted as evidence of cash or equivalent outlay | 1,998,786.38 | 8922 |
| Bonds issued in payment for property and construction | 1,043,100.00 | |
| Stocks issued in payment for property and construction | 1,079,700.00 | 8923 |
| Interest on funds borrowed and used in purchase of property and for construction | 2,088,719.27 | |
| Total cash or equivalent outlay | $25,700,911.34 | |
| Discount on Bonds | 1,014,375.00 | |
| Excess of appreciation written up over shrinkages through corporate mergers or purchases at foreclosure sales | 82,526.57 | 8924 |
| Total Railroad and Appurtenances | | $26,797,812.91 |

8925 EQUIPMENT:

| | | |
|---|---|---|
| Cash outlay | $ 1,386,619.35 | |
| Original entries on books of acquiring companies, where books of account of the acquired properties cannot be found, accepted as evidence of Cash or equivalent outlay | 161,408.75 | |
| 8926 Total Cash or equivalent outlay | $ 1,548,028.10 | |
| Less shrinkages through corporate mergers or purchases at foreclosure sales | 196,545.10 | 1,351,483.00 |
| 8927 Total Property Accounts of The Lehigh Valley Rail Way Company after the mergers of August 3, 1903 | | $28,149,295.91 |

8928 On February 17, 1905, The Lehigh Valley Rail Way Company absorbed by merger The Canal Railroad Company, which was lacking railroad property, and The Elmira, Cortland & Northern Railroad Company which, on September 30, 1884, had purchased at foreclosure sales the proportion of The Cazenovia, Canastota & De Ruyter Railway Company, (books of account of its four antecedents prior to August 28, 1876, cannot be found) and The Utica, Ithaca & Elmira Railway Company of the State of New York (books of account of its three antecedents prior to May 10, 1878, cannot be found). By reason of these mergers into The Lehigh Valley Rail Way Company and its other transactions from August 3, 1903, to February 17, 1905, that Company's property accounts increased within this period from $28,149,295.91 to $32,-

098,196.46, or $4,548,900.55. By examination of the accounts of the several companies, this increase is found to consist of the following: 8929

| | | | |
|---|---|---|---|
| RAILROAD AND APPURTENANCES: | | | |
| Cash outlay | $ 1,288,331.29 | | |
| Bonds issued in payment for property and construction | 820,000.00 | | |
| Stocks issued in payment for property and construction | 2,000,000.00 | | 8930 |
| Total Cash or equivalent outlay | $ 4,108,331.29 | | |
| Increases in the mergers as shown by the accompanying statement | 187,489.98 | | |
| Total Railroad and Appurtenances | | $ 4,295,821.27 | |
| EQUIPMENT: | | | |
| Cash Outlay | $ 37,105.97 | | 8931 |
| Bonds issued in payment for Equipment | 80,000.00 | | |
| Stock issued in payment for Equipment | 200,000.00 | | |
| Total Cash or equivalent outlay | $ 317,105.97 | | |
| Less decreases in the mergers | 64,026.69 | 253,079.28 | |
| Total Increase in Property Accounts from August 3, 1903, to February 17, 1905 | | $ 4,548,900.55 | 8932 |

The last merger into The Lehigh Valley Rail Way Company was that of The Lehigh & Lake Erie Railroad Company on June 27, 1907. Examination of the accounts of the latter from organization on May 7, 1896, to June 27,

1907, and of the former from February 17, 1905, to June 30, 1913, discloses the following combined composition of the Property accounts of the two companies for the respective periods.

RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay in excess of proceeds from sale of land | $ 5,240,625.76 | |
| Less property abandoned from June 30, 1907, to June 30, 1913 | 298,884.99 | |
| Net Cash Outlay | $ 4,941,740.77 | |
| Discount on Bonds charged to this Property account of The Lehigh & Lake Erie Railroad Company | 100,000.00 | |
| | $5,041,740.77 | |
| Less amount written out of this Property account of The Lehigh Valley Rail Way Company, from February 17, 1905, to June 27, 1907 | 2,673,779.72 | |
| Increase in this Property Account of The Lehigh Valley Rail Way Company from February 17, 1905, to June 30, 1913 | | $ 2,367,961.05 |

A summary of the composition of the property accounts of The Lehigh Valley Rail Way Company at June 30, 1913, is as follows:

RAILROAD AND APPURTENANCES:

| | |
|---|---|
| Cash Outlay in excess of proceeds from sale of land | $26,019,562.74 |

| | | | |
|---|---|---|---|
| Original entries on books of acquiring companies, where books of account of acquired properties cannot be found, accepted as evidence of cash or equivalent outlay | 1,998,786.38 | | 8937 |
| Bonds issued in payment for Property and Construction | 1,863,100.00 | | 8938 |
| Stocks issued in payment for Property and Construction | 3,079,700.00 | | |
| Forward | | $32,961,149.12 | |
| RAILROAD AND APPURTENANCES—(Forward) | | $32,961,149.12 | |
| Interest on funds borrowed and used in purchase of Property and for Construction | 2,088,719.27 | | 8939 |
| Total Cash or equivalent outlay | | $35,049,868.39 | |
| Less Property abandoned from June 30, 1907, to June 30, 1913 | 298,884.99 | | |
| Net Cash or equivalent outlay | | $34,750,983.40 | |
| Discount on Bonds | 1,114,375.00 | | 8940 |
| | | $35,865,358.40 | |
| Less Net Amount Written Off and shrinkages through corporate mergers or purchases at foreclosure sales | 2,403,763.17 | $33,461,595.23 | |

8941 EQUIPMENT:

| | | |
|---|---|---|
| Cash Outlay | $ 1,423,725.32 | |
| Original entries on books of acquiring companies, where books of account of acquired properties cannot be found, accepted as evidence of cash or equivalent outlay | 161,408.75 | |
| 8942 Bonds issued in payment for Equipment | 80,000.00 | |
| Stocks issued in payment for Equipment | 200,000.00 | |
| Total Cash or Equivalent outlay | $ 1,865,134.07 | |
| Less amounts Written Off for depreciation and shrinkages through corporate mergers or purchases at foreclosure sales 8943 | 260,571.79 | 1,604,562.28 |
| Total Property Accounts of The Lehigh Valley Rail Way Company at June 30, 1913 | | $35,066,157.51 |

FINANCIAL GROWTH OF PENNSYLVANIA & NEW YORK CANAL & RAILROAD COMPANY'S PROPERTY.

8944 Examination of the accounts of this Company covering the period from organization to June 30, 1913, discloses that its railroad property account at the latter date is composed of—

RAILROAD AND APPURTENANCES:

| | |
|---|---|
| Cash Outlay | $8,207,440.63 |
| Less proceeds from sales of land | 160,616.27 |
| | $8,046,824.36 |

| | | | |
|---|---|---|---|
| Less property abandoned from June 30, 1907, to June 30, 1913 ..... | 25,881.16 | | 8945 |
| Net Cash Outlay..... | $8,020,943.20 | | |
| Bonds issued as bonus for surrender of 40,000 Shares of 10% Preferred Stock .....$2,900,000.00 | | | |
| Less net amount written off prior to June 30, 1907 .. ..... | 56,578.38 | 2,843,421.62 | $10,864,364.82 8946 |

FINANCIAL GROWTH OF THE SCHUYLKILL & LEHIGH VALLEY RAILROAD COMPANY'S PROPERTY.

This Company was formed by merger on March 11, 1887, of The Pottsville & New York Railroad and Schuylkill & Lehigh Valley Railroad. Examination of the accounts of the antecedent companies and of The Schuylkill & Lehigh Valley Railroad Company, covering the period from the respective organizations to June 30, 1913, discloses the following composition of the property account at the latter date: 8947

RAILROAD AND APPURTENANCES:

| | | | |
|---|---|---|---|
| Cash Outlay in excess of land sales ..... | $2,397,498.60 | | |
| Less property abandoned from June 30, 1907, to June 30, 1913..... | 752.78 | | 8948 |
| Net Cash Outlay ..... | $2,396,745.82 | | |
| Bonds and Stock issued in excess of Cash Outlay on Property ..... | 1,609,908.07 | $4,006,653.89 | |

8949 FINANCIAL GROWTH OF THE DELAWARE, SUSQUEHANNA & SCHUYLKILL RAILROAD COMPANY'S PROPERTY.

Examination of this Company's accounts covering the period from organization on April 14, 1890, to June 30, 1913, discloses the following composition of its property account at the latter date:

RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay ..... | $2,140,619.84 | |
| Less property abandoned | | |
| 8950 from June 30, 1907, to June 30, 1913 ..... | 95,310.77 | |
| Net Cash Outlay ..... | $2,045,309.07 | |
| Less written off prior to June 30, 1907 ..... | 633,384.16 | $1,411,924.91 |

FINANCIAL GROWTH OF LOYALSOCK RAILROAD COMPANY'S PROPERTY.

8951 The Loyalsock Railroad Company, which was organized December 3, 1884, absorbed by merger on the books at September 30, 1904, all of the accounts of Wilkes-Barre & Harvey's Lake Railroad Company, which was organized September 24, 1885, and acquired its first railroad property by purchase from Albert Lewis in 1887, giving in payment therefor its capital stock in the amount of $110,000.00. Examination of the account of these Companies from the dates of their respective organizations to September 30, 1904, discloses composi-
8952 tion of their merged Property accounts at September 30, 1904, as follows:

RAILROAD AND APPURTENANCES:

| | | |
|---|---|---|
| Cash Outlay ..... | $718,701.32 | |
| Capital Stock issued in Payment for Property. | 110,000.00 | |
| Total Cash or equivalent outlay ..... | $828,701.32 | |
| Less shrinkage in the merger ..... | 3,701.32 | $825,000.00 |

In the period from September 30, 1904, to June 30, 1913, the cash outlay on Railroad and Appurtenances of Loyalsock Railroad Company in excess of proceeds from the sale of land amounted to $35,535.35, and there was written off for abandoned property $105.00; so that at June 30, 1913, the composition of the Company's Property account is: 8953

| | | | |
|---|---|---|---|
| RAILROAD AND APPURTENANCES: | | | |
| Cash Outlay in excess of proceeds from land sold, | $754,236.67 | | 8954 |
| Capital Stock issued in Payment for Property. | 110,000.00 | | |
| | $864,236.67 | | |
| Less property abandoned from June 30, 1907, to June 30, 1913..... | 105.00 | | |
| Net Cash or equivalent outlay ..... | $864,131.67 | | |
| Less shrinkage in the merger ..... | 3,701.32 | $860,430.35 | 8955 |

FINANCIAL GROWTH OF EASTON & NORTHERN RAILROAD COMPANY'S PROPERTY

Examination of the accounts of this Company from organization on May 28, 1889, to June 30, 1913, discloses the following composition of its Property account at the latter date:

| | | | |
|---|---|---|---|
| RAILROAD AND APPURTENANCES: | | | |
| Cash Outlay for Property and Construction ..... | $847,731.63 | | 8956 |
| Cash Outlay for Interest during Construction ... | 23,057.56 | | |
| Total Cash Outlay..... | $870,789.19 | | |
| Less property abandoned from June 30, 1907, to June 30, 1913 ..... | 1,580.00 | | |
| Net Cash Outlay ..... | $869,209.19 | | |
| Discount on Bonds ..... | 2,247.19 | $871,456.38 | |

8957 FINANCIAL GROWTH OF BAY SHORE CONNECTING RAILROAD COMPANY'S PROPERTY

This Company has no funded debt and its entire capital stock is owned in equal parts by Lehigh Valley Railroad Company and Central Railroad Company of New Jersey, which have joint and equal rights in the use of the property. Examination of the Company's accounts from organization on September 29, 1904, to June 30, 1913, discloses that its Property account on the latter date is composed entirely of cash outlay in the amount
8958 of $40,077.37. As a part of the Lehigh Valley Railroad System, this represents in cash outlay for property—

| | |
|---|---|
| RAILROAD AND APPURTENANCES ..... | $20,038.69 |

FINANCIAL GROWTH OF MONTROSE RAILROAD COMPANY'S PROPERTY

Examination of the accounts of Montrose Railway Company from organization on April 15, 1869, to the
8959 purchase of its property at foreclosure sale on September 2, 1905, by Montrose Railroad Company, and of the latter's accounts to June 30, 1913, discloses the following composition of the Property account at the latter date:

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Cash Outlay of Montrose Railway Company ..... | $435,152.05 | |
| Cash Outlay of Montrose Railroad Company in excess of proceeds from sale of lands ..... | 12,481.42 | |
| 8960 Total Cash Outlay ..... | $447,633.47 | |
| Less property abandoned from June 30, 1907, to June 30, 1913 ..... | 4,038.00 | |
| Net Cash Outlay ..... | $443,595.47 | |
| Less shrinkage of Property accounts in purchase at foreclosure sale ..... | 235,152.05 | $208,443.42 |

FINANCIAL GROWTH OF LEHIGH & NEW YORK RAILROAD COMPANY 8961

This Company is the outgrowth of a reorganization of Southern Central Railroad Company, the property of the latter having been taken over from the Receiver thereof at midnight on August 31, 1895. For purposes of the reorganization, Lehigh & New York Railroad Company issued and delivered to the Reorganization Committee of the Bondholders of Southern Central Railroad Company its bonds and stocks in the total amount of $5,803,348.00, a portion of the bonds so issued and delivered being to enable the Reorganization Committee to purchase equipment. The composition of the Property account of Southern Central Railroad Company at August 31, 1895, in the amount of $4,376,700.30, cannot be ascertained at this time, but based thereon the original Property accounts of Lehigh & New York Railroad Company were composed of the following: 8962

RAILROAD AND APPURTENANCES:

| | | | |
|---|---|---|---|
| Property Account of Southern Central Railroad Company | | $4,376,700.30 | 8963 |
| Increase in the reorganization | $1,059,783.70 | | |
| Less realized by Reorganization Committee in liquidation of personal estate of Southern Central Railroad | 2,964.35 | 1,056,819.35 | 8964 |
| Discount on bonds, the proceeds from the sale of which was used by the Reorganization Committee in the purchase of equipment | | 56,864.00 | $5,490,383.65 |

8965 EQUIPMENT—Cash Outlay by the Reorganization Committee ..... 312,964.35

Total of the Original Property Accounts of Lehigh & New York Railroad Company, being the aggregate amount of its Bonds and Stocks issued and delivered to the Reorganization Committee ..... $5,803,348.00

8966

Examination of the accounts of Lehigh & New York Railroad covering the period from September 1, 1895, to June 30, 1913, discloses the following composition thereof, subsequent to the opening entries beforementioned:

RAILROAD AND APPURTENANCES—Cash Outlay in excess of proceeds realized from sales of real estate ..... $ 82,587.71

8967 EQUIPMENT:

| | | |
|---|---|---|
| Aggregate of amounts written off for equipment permanently retired from service..... | $206,618.33 | |
| Less Cash Outlay for New Equipment ..... | 92,865.41 | |
| Decrease in Equipment Account from | | |
| 8968 September 1, 1895, to June 30, 1913.. | | 113,752.92 |

Accepting, in the absence of records whereby to ascertain the actual composition thereof, the Property account of Southern Central Railroad Company as representative of cash or original outlay, the following is a summary of the combined Property accounts of Southern

| | | | |
|---|---|---|---|
| Central Railroad Company and Lehigh & New York Railroad Company to June 30, 1913: | | | 8969 |
| RAILROAD AND APPURTENANCES: | | | |
| Property Account of Southern Central Railroad Company ..... | $4,376,700.30 | | |
| Cash Outlay of Lehigh & New York Railroad from September 1, 1895, to June 30, 1913 ..... | 82,587.71 | | |
| | | | 8970 |
| Total Cash or equivalent outlay ..... | $4,459,288.01 | | |
| Discount on Bonds ..... | 56,864.00 | | |
| Increase in this Property Account from the closing of Southern Central Railroad to the opening of Lehigh & New York Railroad.... | 1,056,819.35 | $5,572,971.36 | |
| | | | 8971 |
| EQUIPMENT: | | | |
| Cash Outlay by the Reorganization Committee | $312,964.35 | | |
| Cash Outlay from September 1, 1895, to June 30, 1913 ..... | 92,865.41 | | |
| Total Cash or equivalent outlay ..... | $405,829.76 | | |
| Less Equipment Written Off ..... | 206,618.33 | 199,211.43 | 8972 |
| Total Property Accounts of Lehigh & New York Railroad at June 30, 1913 ..... | | $5,772,182.79 | |

8973 FINANCIAL GROWTH OF LEHIGH VALLEY TRANSPORTATION COMPANY'S PROPERTY.

This Company was incorporated in New Jersey July 22, 1901, and on February 28, 1902, took over as by merger the property and accounts of the corporation of the same name which was organized under the laws of New York February 7, 1882, and whose charter expired by statutory limitation on February 7, 1902.

8974 Examination of the accounts of these Companies covering the period from February 7, 1882, to February 28, 1902, discloses the following composition of the property accounts to and including the latter date, and comprehending the merger, viz.:

| | | | |
|---|---|---|---|
| STEAMERS, TUGS, AND BARGES. | | | |
| Cash Outlay, less proceeds from sales | | $2,351,844.09 | |
| Less written off | $944,416.63 | | |
| Less Increase in valuation at merger | 43,831.09 | 900,585.54 | $1,451,258.55 |

8975 In the period from February 28, 1902, to June 30, 1913, the property accounts of Lehigh Valley Transportation Company increased from $1,451,258.55 to $3,332,657.63, or $1,881,399.08, which, by examination of the accounts, is found to consist of the following:

| | | | |
|---|---|---|---|
| STEAMERS, TUGS, AND BARGES: | | | |
| Cash Outlay | | $1,930,238.37 | |
| Less written off | $ 74,214.29 | | |
| Less Commission and Other Cost of Equipment Trust Loan | 25,375.00 | 48,839.29 | $1,881,399.08 |

8976 The following is a summary of the composition of the property accounts of Lehigh Valley Transportation Company at June 30, 1913:

| | | | |
|---|---|---|---|
| STEAMERS, TUGS, AND BARGES: | | | |
| Cash Outlay, less proceeds from sales | | $4,282,082.46 | |
| Less written off | $974,799.83 | | |
| Less Commission and Other Cost of Equipment Trust Loan | 25,375.00 | 949,424.83 | |
| Total Property Accounts of Lehigh Valley Transportation Company at June 30, 1913 | | | $3,332,657.63 |

## Financial Growth of the Properties of Consolidated Real Estate Company, United Real Estate Company, Pioneer Real Estate Company.

8977

These Companies were organized as instruments of Lehigh Valley Railroad Company for the purchase, improvement, leasing, holding, and sale of Real Estate and the transaction of business naturally incident thereto, respectively as follows:

8978

Consolidated Real Estate Company, in Pennsylvania, October 14, 1897;

United Real Estate Company, in New Jersey, September 28, 1897;

Pioneer Real Estate Company, in New York, September 28, 1897.

The authorized capital stock of Consolidated Real Estate Company is $50,000.00, of which $5,000.00 has been issued to Lehigh Valley Railroad Company for cash.

The authorized capital stock of United Real Estate Company is $50,000.00, of which $1,000.00 has been issued to Lehigh Valley Railroad Company for cash.

8979

The authorized capital stock of Pioneer Real Estate Company is $5,000.00, of which $2,500.00 has been issued to Lehigh Valley Railroad Company for cash.

Besides the respective amounts of capital stock acquired and paid for by Lehigh Valley Railroad Company, it has advanced to the respective Real Estate Companies to June 30, 1913, the following sums:

8980

| | |
|---|---|
| Consolidated Real Estate Company..... | $2,992,448.49 |
| on which Lehigh Valley Railroad Company has taken in part payment First Mortgage Bonds of Consolidated Real Estate Company ..... | 2,600,000.00 |
| leaving a balance of advances in the amount of ..... | $ 392,448.49 |
| United Real Estate Company..... | 561,325.54 |
| Pioneer Real Estate Company..... | 2,254,586.63 |

8981 The Property accounts of these Real Estate Companies at June 3, 1913, represent cash outlay as follows:

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Consolidated Real Estate Company—Shops property at Sayre, Pa., occupied and used by Lehigh Valley Railroad Company, a small amount in excess of this round amount having been absorbed and written off by Lehigh Valley Railroad Company..... | | $2,600,000.00 |
| 8982 REAL ESTATE—Cash Outlay in Excess of Sales: | | |
| Consolidated Real Estate Company ..... | $ 397,448.49 | |
| United Real Estate Company ..... | 562,325.54 | |
| Pioneer Real Estate Company ..... | 2,257,086.63 | 3,216,860.66 |
| 8983 Total Property Accounts of the three Real Estate Companies at June 30, 1913 ..... | | $5,816,860.66 |

PROPERTY OF LEHIGH VALLEY RAILROAD TRANSPORTATION SYSTEM JUNE 30, 1913

The following is a summary of the composition of the Property accounts of the entire Transportation System, comprehending all of the corporations first enumerated herein, to June 30, 1913, adjusted only by elimination from the Equipment account of the credit of $5,058,827.98
8984 on November 30, 1897, and the partial readjustment debit of $3,500,000.00 on June 30, 1903, hereinbefore mentioned, the difference between which is not sustained by the June 30, 1903, inventory and appraisal of equipment as entries proper or necessary to have been made:

| | | |
|---|---|---|
| RAILROAD AND APPURTENANCES: | | |
| Net cash or equivalent outlay..... | $104,860,632.25 | |
| Net amount of increase by writings up at mergers or otherwise..... | 5,267,846.30 | |
| Discount on Bonds and Stocks..... | 2,862,277.63 | $112,990,756.18 |

| | | | |
|---|---|---|---|
| EQUIPMENT: | | | 8085 |
| Total cash or equivalent outlay | $ 65,082,294.56 | | |
| Less written off for depreciation and at mergers, not including the aforementioned credit of $5,058,827.98 on November 30, 1897, and the partial readjustment debit of $3,500,000.00 on June 30, 1903 | 8,763,531.52 | | |
| Net cash or equivalent outlay | | $56,318,763.04 | |
| REAL ESTATE: | | | |
| Net cash or equivalent outlay | $ 3,605,068.22 | | |
| Net amount written up for appreciation | 91,578.43 | 3,696,646.65 | |
| Total property accounts of the entire Transportation System at June 30, 1913, adjusted in respect of equipment as stated | | $173,006,165.87 | |

The preceding synopsis relates to and covers examination of the property accounts of the system companies and does not include expenditures for Additions and Betterments and the value of equipment destroyed or abandoned, both of which have been entered on the books in other than property accounts. 8086

Adjustment of the latter to include such items and to exclude the net amount of increase at mergers and writings up for appreciation and the discount on bonds and stocks, is as follows:

| | | | |
|---|---|---|---|
| RAILROAD AND APPURTENANCES: | | | |
| Cash or equivalent outlay in this account at June 30, 1913, as disclosed by examination | | $104,860,632.25 | 8087 |
| Adjustment Additions: | | | |
| Additions and Betterments charged against Operating Expenses, 1898-1902, as reported by the Chief Engineer | $4,031,268.60 | | |
| Additions and Betterments, 1904-1907, charged against Operating Expenses or Income through General Reserve Account | 1,498,386.78 | | |
| Additions and Betterments, 1897-1907, charged directly against Income | 4,564,045.12 | | |
| Increased weight of rail laid in track 1900-1909, and charged against Operating Expenses | 940,244.62 | | |
| Improved Frogs and Switches and Track Fastenings 1900-1909 charged against Operating Expenses, estimated at ordinary ratio of 68.35% of increased weight of rail | 642,657.20 | | 8088 |
| That portion of National Storage Company's property, Jersey City, that is used by the Transportation System in the exercise of its common-carrier function, at cost value shown by the Storage Company's books, applied to reduce the Transportation System's advances to the Storage Company and investment in its Capital Stock | 3,632,534.02 | 15,309,136.34 | |
| Total Railroad and Appurtenances of the entire Transportation System at June 30, 1913, as adjusted | | $120,169,768.59 | |

| | | | |
|---|---|---|---|
| 8989 | EQUIPMENT: | | |
| | Net cash or equivalent outlay | | $56,318,763.04 |
| | Adjustment Additions: | | |
| | Excess of appraised valuation of Transportation System Equipment over net book value at June 30, 1913 (after elimination of the aforementioned adjustment credit and readjustment debit), carried to the credit of Equipment Depreciation Reserve | $ 879,578.31 | |
| | Expenditures for new equipment and for improvement of equipment, 1914-1917: | | |
| | Charged directly against Operating Expenses | 1,021,256.28 | |
| 8990 | Charged directly against Income | 1,344,782.91 | |
| | Charged against Operating Expenses or Income through Reserve accounts, 1914-1917 | 3,604,121.93 | 6,849,739.43 |
| | | | $63,168,502.47 |
| | Adjustment Deductions: | | |
| | Equipment destroyed or abandoned, 1914-1917 | | 1,481,759.09 |
| | Total Equipment of entire Transportation System at June 30, 1913, as adjusted | | $61,686,743.38 |
| 8991 | REAL ESTATE: | | |
| | Net Cash or equivalent outlay | | $ 3,605,068.22 |

A recapitulation of the property of the entire Transportation System at June 30, 1913, on the basis of Cash or Equivalent Outlay, is:

| | |
|---|---|
| RAILROAD AND APPURTENANCES | $120,169,768.59 |
| EQUIPMENT | 61,686,743.38 |
| REAL ESTATE | 3,605,068.22 |
| 8992 Total | $185,461,580.19 |

as shown by the Consolidated General Balance Sheet of the Transportation System at June 30, 1913, submitted in a separate report, in which the adjustments for elimination of increases by writings up at mergers and otherwise and discount on bonds and stocks and the adjustments for property additions and deductions, hereinbefore shown in total, are applied to the various preceding stated dates according as they appertain thereto, with proper contra application to Profit & Loss or Reserve accounts.

## LEHIGH VALLEY RAILROAD COMPANY

GENERAL BALANCE SHEETS, NOVEMBER 30, 1884, OF COMPANIES MERGED INTO LEHIGH VALLEY RAILROAD COMPANY AND OF LEHIGH VALLEY RAILROAD COMPANY BEFORE AND AFTER MERGER

| | Lehigh Valley Railroad Company before Merger | Beaver Meadow Railroad & Coal Company | Penn Haven & White Haven Railroad Company | Total Assets and Liabilities | Lehigh Valley Railroad Company after Merger | Difference Increase—Black; Decrease—Red. |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Railroad and Appurtenances | $4,131,113.86 | $1,249,248.00 | $715,028.65 | $6,095,390.51 | $7,517,768.32 | $1,411,377.81 |
| Equipment | 1,226,277.93 | 474,455.25 | | 1,700,733.20 | 1,700,733.20 | |
| Real Estate | 112,520.96 | 75,149.23 | | 187,670.19 | 187,670.19 | |
| Lehigh & Mahanoy Railroad Company Common Stock | 55,097.50 | 78,843.75 | | 133,941.25 | 133,941.25 | |
| Lehigh & Mahanoy Railroad Company Preferred Stock | | 52,100.00 | | 52,100.00 | 52,100.00 | |
| Penn Haven & White Haven Railroad Company Stock | 700,000.00 | | | 700,000.00 | | R700,000.00 |
| Miscellaneous Assets | 16,113.83 | 348,002.97 | | 364,116.80 | 42,023.09 | R322,093.71 |
| Total Assets | $6,261,124.10 | $2,268,799.20 | $715,028.65 | $9,244,951.95 | $9,634,236.05 | $ 389,284.10 |
| **LIABILITIES** | | | | | | |
| Preferred Capital Stock | | $ 123,650.00 | | $ 123,650.00 | $ 123,650.00 | |
| Common Capital Stock | $3,235,250.00 | 1,860,250.00 | $700,000.00 | 5,795,500.00 | 6,504,800.00 | $ 709,300.00 |
| Scrip Certificates | | | | | 2,077.81 | 2,077.81 |
| Bond Account | 1,477,000.00 | | | 1,477,000.00 | 1,477,000.00 | |
| Bills and Loans Payable | 37,266.66 | | | 37,266.66 | 37,266.66 | |
| Miscellaneous Liabilities | 451,463.07 | | 15,028.65 | 466,491.72 | 144,398.01 | R322,093.71 |
| Profit & Loss | 1,060,144.37 | 284,899.20 | | 1,345,043.57 | 1,345,043.57 | |
| Total Liabilities | $6,261,124.10 | $2,268,799.20 | $715,028.65 | $9,244,951.95 | $9,634,236.05 | $ 389,284.10 |

NOTE: Beaver Meadow Company was merged July 8, 1864; Penn Haven & White Haven Company was merged August 8, 1864; accounts of the three companies were not merged on the books until November 30, 1884.
R—Red.

9668 9668 9668 9668

. R. B. EXHIBIT NO. 32.

VALLEY RAILWAY COMPANY

G THE GENEVA & VAN ETTENVILLE RAILWAY COMPANY, AT THE SEVERAL MERGER OR PU
ULATED TOTALS TO APRIL 30, 1879, GENERAL BALANCE SHEET OF THE GENEVA & VAN ETTE
ASE IN THE ASSETS AND LIABILITIES

| e Geneva, thaca & re Rd. Co. 30, 1876, To r. 30, 1879 | The Cayuga Southern Rd. Co. Apr. 30, 1879 | The Geneva, Ithaca & Sayre Rd. Co. Apr. 30, 1879, To Aug. 27, 1889 | Auburn & Ithaca Ry. Co. Jun. 30, 1890 | The Geneva & Van Ettenville Ry. Co. To Jun. 30, 1890 | Accumulated Totals | The Geneva & Van Ettenville Ry. Co. after Merger Jun. 30, 1890 | Increase, Black. Decrease, Red |
|---|---|---|---|---|---|---|---|
| $40,833.04 | $418,050.00 | $72,566.63 | $171,577.54 | $21,915.53 | $3,275,330.89 | $1,854,684.70 | R$1,420,646.19 |
| 21,382.82 | 6,950.00 | 6,803.53 | | | 196,545.10 | | R196,545.10 |
| 32,057.85 | | | | | 32,057.85 | | R 32,057.85 |
| | | | | 35,000.00 | 35,000.00 | 35,000.00 | |
| 554.00 | | 7,488.67 | | | 67,795.53 | | R 67,795.53 |
| $94,827.71 | $425,000.00 | $86,858.83 | $171,577.54 | $56,915.53 | $3,606,729.37 | $1,889,684.70 | R$1,717,044.67 |
| $200,000.00 | | $200,000.00 | | | $400,000.00 | | R400,000.00 |
| | $425,000.00 | | $120,000.00 | $60,000.00 | 1,445,900.00 | $1,380,000.00 | R 65,600.00 |
| | | 750,000.00 | | | 2,150,000.00 | 600,000.00 | R1,550,000.00 |
| 7,000.00 | | | | | 400,000.00 | | R400,000.00 |
| | | | | | 7,000.00 | 7,000.00 | |
| | | 101,500.00 | | | 101,500.00 | | R101,500.00 |
| 88,986.10 | | 87,565.32 | 51,577.54 | R 3,084.47 | 225,044.49 | R 97,315.30 | R322,359.79 |
| $201,158.39 | | R1,052,206.49 | | | 130,949.76 | | R130,949.76 |
| | | | | | R1,253,364.88 | | 1,253,364.88 |
| $94,827.71 | $425,000.00 | $86,858.83 | $171,577.54 | $56,915.53 | $3,606,729.37 | $1,889,684.70 | R$1,717,044.67 |

e as shown by merger entry on the books of The Geneva, Ithaca &

s and liabilities of The Geneva & Sayre Railroad Co. between its The Geneva, Ithaca & Sayre Railroad property, and its merger on Van Ettenville Railway Co., hence it does not appear in this state-

9001 9002 9003 9004

## THE LEHIGH VALLEY RAILWAY COMPANY

GENERAL BALANCE SHEETS OF COMPANIES UNDERLYING THE ELMIRA, CORTLAND & NORTHERN RAILROAD COMPANY AT THE RESPECTIVE DATES OF THEIR PURCHASE UNDER FORECLOSURE SALES OR THEIR MERGER, GENERAL BALANCE SHEET OF THE CANAL RAILROAD COMPANY AT DATE OF MERGER, INTERIM TRANSACTIONS OF THE ELMIRA, CORTLAND & NORTHERN RAILROAD COMPANY, AND GENERAL BALANCE SHEETS OF THE LEHIGH VALLEY RAILWAY COMPANY. AUGUST 3, 1903, AND AFTER THE MERGERS FEBRUARY 17, 1905.

| | The Lehigh Valley R. W. Co. Aug. 3, 1903 | The Cazenovia, Canastota & De Ruyter Ry. Co. Sep. 30, 1884 | The Utica, Ithaca & Elmira Ry. Co. Sep. 30, 1884 | The Canastota Northern Rd. Co. Feb. 7, 1905 | The Elmira, Cortland & Northern Rd. Co. Mar. 7, 1884, to Feb. 17, 1905 | The Cana Rd. Co. Feb. 17, 1905 | The Lehigh Valley R. W. Co. Aug. 3, 1903 to Feb. 17, 1905 | Totals | The Lehigh Valley R. W. Co. after Merger Feb. 17, 1905 | Increase, Black; Decrease Red |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | | | |
| Railroad and Appurtenances, | $26,797,812.91 | $1,190,258.85 | $2,377,655.55 | $500,000.00 | $1,046.45 | | $39,370.44 | $30,906,144.20 | $31,093,634.18 | $187,489.98 |
| Equipment | 1,351,483.00 | 26,119.60 | 290,986.37 | | | | | 1,668,588.97 | 1,604,562.28 | R64,026.69 |
| Miscellaneous Assets, | | 2,256.32 | 20,670.88 | | | $60,000.00 | | 82,927.20 | | R82,927.20 |
| Total | $28,149,295.91 | $1,218,634.77 | $2,689,312.80 | $500,000.00 | $1,046.45 | $60,000.00 | $39,370.44 | $32,657,660.37 | $32,698,196.46 | $40,536.09 |
| LIABILITIES | | | | | | | | | | |
| Capital Stock | $ 7,720,000.00 | $ 614,000.00 | $2,000,000.00 | $200,000.00 | | $60,000.00 | | $10,594,000.00 | $ 9,980,000.00 | R$614,000.00 |
| First Mortgage Bonds, | 15,000,000.00 | | | | | | | 15,000,000.00 | 15,000,000.00 | |
| Underlying Mortgage Bonds, | 1,025,000.00 | 600,000.00 | 600,000.00 | 300,000.00 | | | | 2,525,000.00 | 3,325,000.00 | 800,000.00 |
| Lehigh Valley Railroad Company, | 4,352,779.57 | | | | $1,046.45 | | $39,370.44 | 4,393,196.46 | 4,393,196.46 | |
| Penn. & N. Y. Canal & Rd. Co., | 54,398.05 | | | | | | | 54,398.05 | | R54,398.05 |
| The Elmira, Cortland & No. Rd. Co., | | | 61,606.34 | | | | | 61,606.34 | | |
| Bills Payable, | | 8,750.46 | 25,000.00 | | | | | 33,750.46 | | R375,592.40 |
| Interest Payable, | | 120,000.00 | 123,580.65 | | | | | 243,580.65 | | |
| Miscellaneous Liabilities, | | 9,258.95 | 27,397.00 | | | | | 36,655.95 | | |
| Profit & Loss, | R2,881.71 | R133,374.64 | R148,271.19 | | | | | R284,527.54 | | 284,527.54 |
| Total, | $28,149,295.91 | $1,218,634.77 | $2,689,312.80 | $500,000.00 | $1,046.45 | $60,000.00 | $39,370.44 | $32,657,660.37 | $32,698,196.46 | $40,536.09 |

R—Red.

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R. EXHIBIT NO. 32.

S AND COMPOSITION OF
PANY TO JUNE 30,1913

President and Directors of the
BEAVER MEADOW RAILROAD & COAL COMPANY
Incorporated April 7, 1830; Merged July 8, 1964, into
Lehigh Valley Railroad Company

PENN HAVEN & WHITE HAVEN RAILROAD COMPANY
Incorporated May 4, 1857; Merged August 5, 1864, into
Lehigh Valley Railroad Company

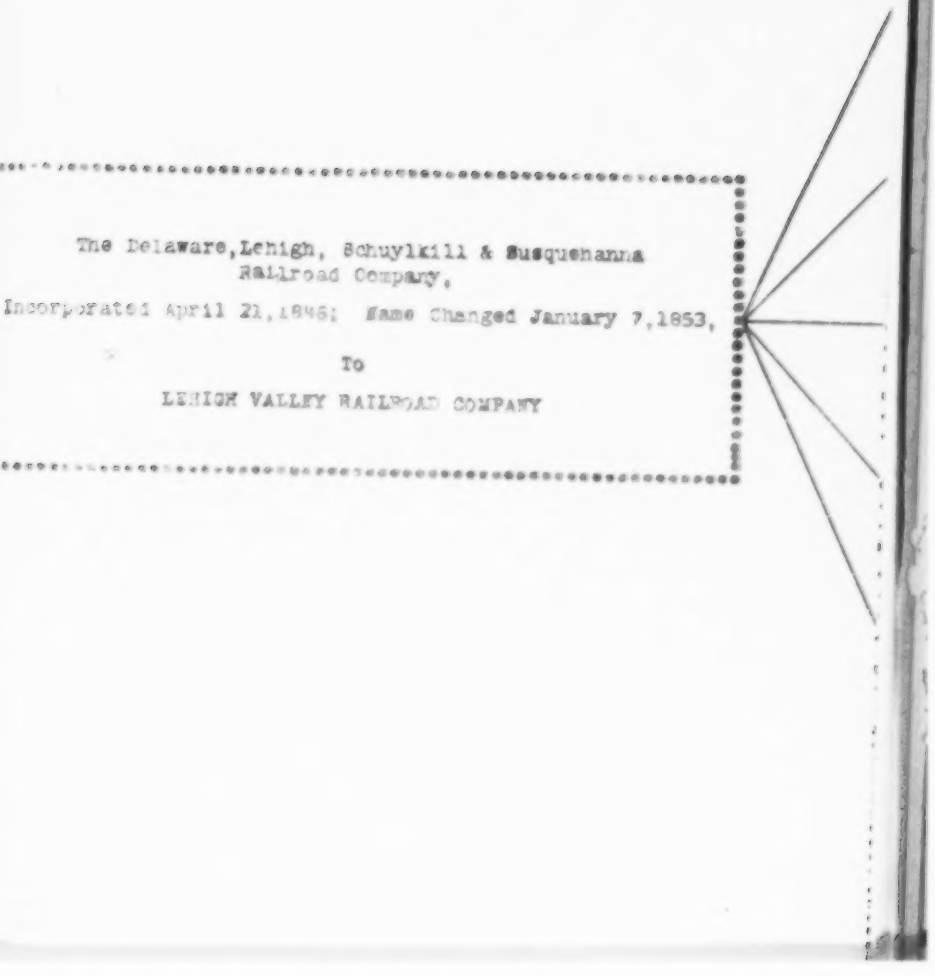
Quakake Railroad Company, incorporated April 25, 1857;
Sold Under Order of Court Dated June 11, 1862,
and Purchased by
THE LEHIGH & MAHANOY RAILROAD COMPANY
Incorporated December 8, 1862; Merged June 20, 1866, into
Lehigh Valley Railroad Company

Jeddo & Carbon County Railroad Company
Incorporated March 23, 1854;
Name Changed February 12, 1856, To
The Lehigh & Luzerne Railroad Company;
Name Changed April 8, 1857, To
LEHIGH LUZERNE RAILROAD COMPANY
Merged June 16, 1868, into
Lehigh Valley Railroad Company

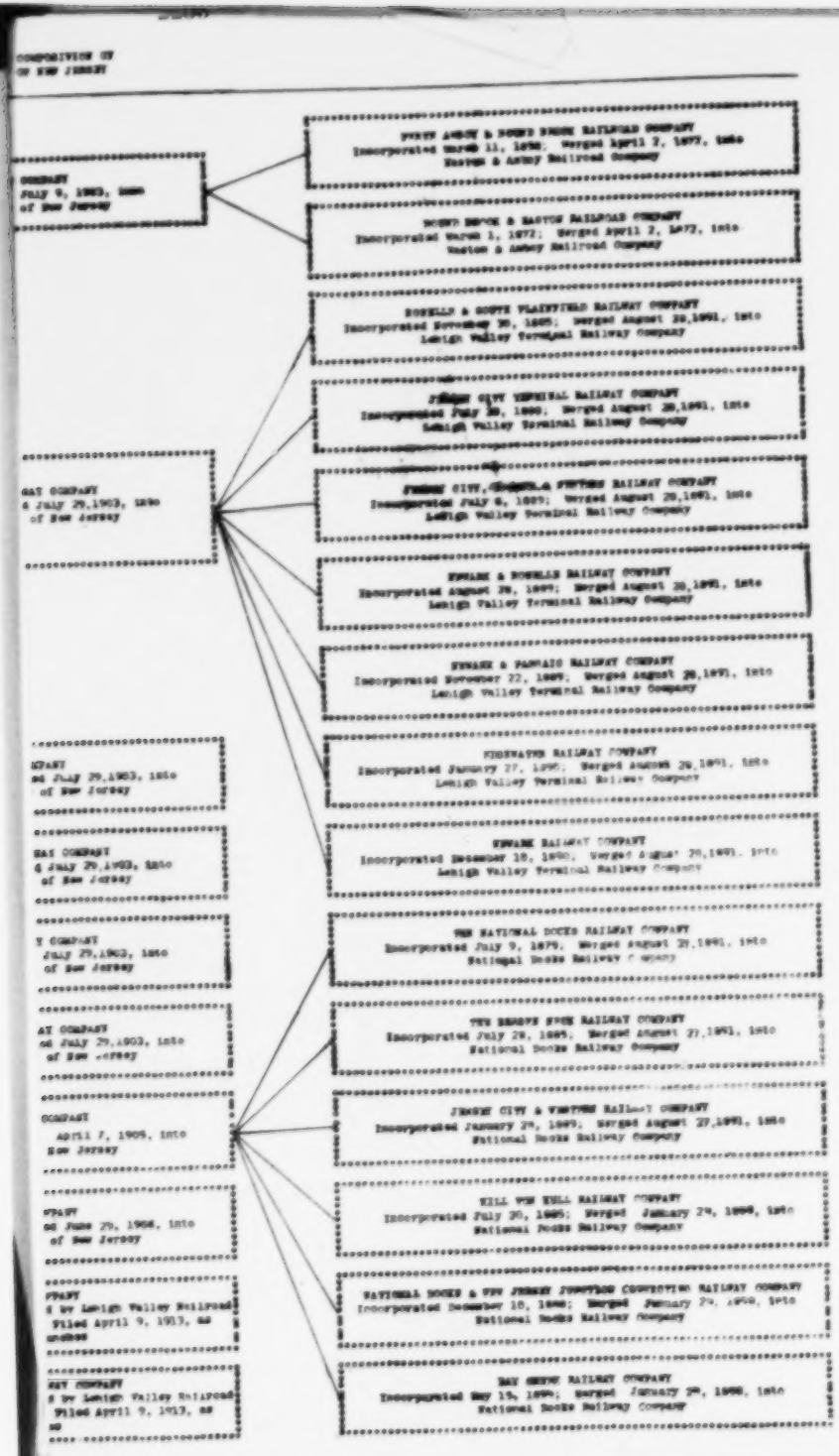
Hazleton Coal Company, incorporated March 18, 1836;
Name Changed March 9, 1865, To
HAZLETON RAILROAD COMPANY
Merged May 25, 1868, into
Lehigh Valley Railroad Company

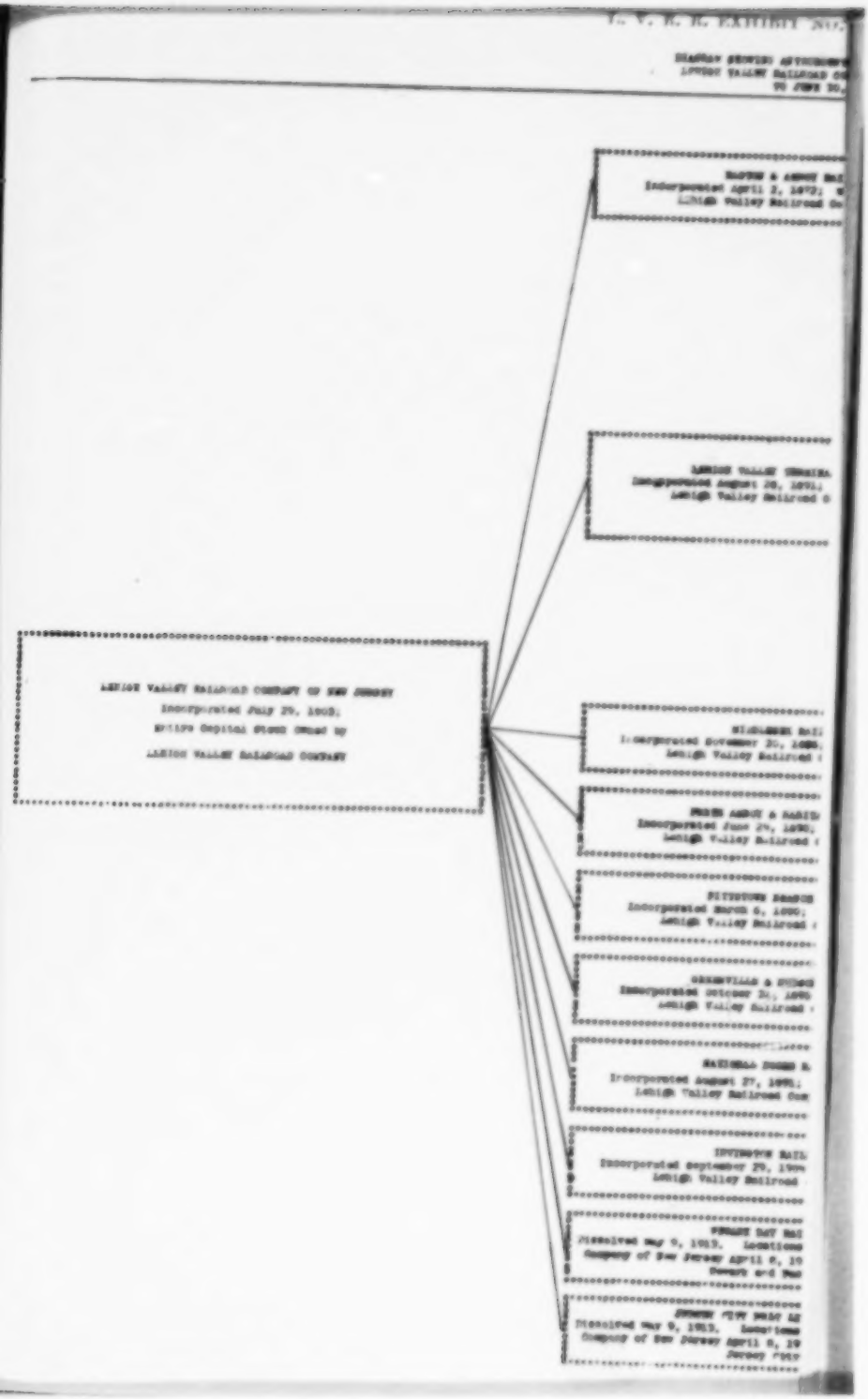


DIAGRAM SHOWING ANTECEDE
LEHIGH VALLEY RAILROAD C




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COMPOSITION OF
OF NEW JERSEY
COMPANY
July 9, 1903, into
of New Jersey
PORT ANDOY & POMPTON RAILROAD COMPANY
Incorporated March 11, 1870; Merged April 7, 1877, into
Boston & Maine Railroad Company
NORTH BRUCE & BOSTON RAILROAD COMPANY
Incorporated March 1, 1872; Merged April 7, 1877, into
Boston & Maine Railroad Company
ROSELLE & SOUTH PLAINFIELD RAILWAY COMPANY
Incorporated November 30, 1885; Merged August 20,1891, into
Lehigh Valley Terminal Railway Company
JERSEY CITY TERMINAL RAILWAY COMPANY
Incorporated July 20, 1888; Merged August 20,1891, into
Lehigh Valley Terminal Railway Company
JERSEY CITY, HOBOKEN & WESTERN RAILWAY COMPANY
Incorporated July 6, 1889; Merged August 20,1891, into
Lehigh Valley Terminal Railway Company
NEWARK & ROSELLE RAILWAY COMPANY
Incorporated August 26, 1889; Merged August 20,1891, into
Lehigh Valley Terminal Railway Company
NEWARK & PASSAIC RAILWAY COMPANY
Incorporated November 22, 1889; Merged August 20,1891, into
Lehigh Valley Terminal Railway Company
KINDERKIN RAILWAY COMPANY
Incorporated January 27, 1890; Merged August 20,1891, into
Lehigh Valley Terminal Railway Company
NEWARK RAILWAY COMPANY
Incorporated December 10, 1890; Merged August 20,1891, into
Lehigh Valley Terminal Railway Company
THE NATIONAL DOCKS RAILWAY COMPANY
Incorporated July 9, 1879; Merged August 27,1891, into
National Docks Railway Company
THE BERGEN POINT RAILWAY COMPANY
Incorporated July 28, 1885; Merged August 27,1891, into
National Docks Railway Company
JERSEY CITY & HOBOKEN RAILWAY COMPANY
Incorporated January 29, 1869; Merged August 27,1891, into
National Docks Railway Company
KILL VON KULL RAILWAY COMPANY
Incorporated July 20, 1869; Merged January 29, 1898, into
National Docks Railway Company
NATIONAL DOCKS & NEW JERSEY JUNCTION CONNECTING RAILWAY COMPANY
Incorporated December 10, 1888; Merged January 29, 1898, into
National Docks Railway Company
BAY SHORE RAILWAY COMPANY
Incorporated May 15, 1899; Merged January 29, 1898, into
National Docks Railway Company
COMPANY
of New Jersey
RAY COMPANY
6 July 29,1903, into
of New Jersey
COMPANY
04 July 29,1903, into
of New Jersey
RAY COMPANY
6 July 29,1903, into
of New Jersey
Y COMPANY
July 29,1903, into
of New Jersey
AY COMPANY
06 July 29,1903, into
of New Jersey
COMPANY
April 7, 1905, into
New Jersey
COMPANY
06 June 29, 1906, into
of New Jersey
COMPANY
6 by Lehigh Valley Railroad
Filed April 9, 1913, as
undone
RAY COMPANY
6 by Lehigh Valley Railroad
Filed April 9, 1913, as
ne



**L. V. R. R. EXHIBIT NO. 33.** 9017

# LEHIGH VALLEY RAILROAD COMPANY'S TRANSPORTATION SYSTEM.

REPORT ON SPECIAL EXAMINATION OF PROPERTY ACCOUNTS FROM 1830 TO JUNE 30, 1913, AND OF INCOME ACCOUNTS FROM DECEMBER 1, 1893, TO JUNE 30, 1913.

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Haskins & Sells
Certified Public Accountants,
30 Broad St., 9018
New York.

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London, E. C.
30 Coleman Street.

Chicago St. Louis San Francisco
Cleveland Pittsburgh Baltimore

HASKINS & SELLS
Certified Public Accountants
30 Broad Street 9019
New York

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Chicago
Harris Trust Bldg.
Pittsburgh
Farmers Bank Bldg.
Cleveland
Williamson Bldg.

St. Louis
Third Natl. Bank Bldg.
Baltimore
Equitable Building
San Francisco
Crocker Building

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9020

London, E. C.
30 Coleman St.

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Cable Address "Hasksells"

9021 New York, March 16, 1914.

Mr. E. B. Thomas,
President Lehigh Valley Railroad Company,
Philadelphia, Pennsylvania.

Dear Sir:

In accordance with your request, we have made a special examination of the Property accounts of the corporations now comprehended in the Lehigh Valley Rail-
9022 road Company's Transportation System, and of their antecedents, extending over the period from the organization of the Beaver Meadow Railroad Company in the State of Pennsylvania on April 7, 1830, to June 30, 1913, and of the Income accounts from December 1, 1893, the date on which re-entry was made into possession and operation of the property upon the termination of the lease to the Philadelphia & Reading Railroad Company, for the purpose of adjusting the Property accounts to the basis of cash or equivalent outlay and of giving proper disposition to such adjustments and presenting
9023 the adjusted condition of the entire Transportation System at various dates from November 30, 1893, to June 30, 1913, and the results of its operations for the intervening fiscal periods.

The condensed and consolidated results of such special examination and adjustments are set forth in the accompanying eleven pages of comments and in the exhibits and schedule submitted herewith, viz.:

EXHIBIT
9024 "A" —STATEMENT SHOWING FOR THE PERIOD FROM DECEMBER 1, 1893, TO JUNE 30, 1913, THE AVERAGE CAPITAL INVESTED AND EMPLOYED, THE RATIO OF AND THE INCOME DERIVED THEREFROM, THE DEFICIENCES OF INCOME ON THE BASIS THAT SUCH CAPITAL IS ENTITLED TO A RETURN OF AT LEAST 6% PER ANNUM, AND THE SINKING FUND VALUE OF SUCH DEFICIENCES AT JUNE 30, 1913.

"B" —CONSOLIDATED GENERAL BALANCE SHEET AT STATED DATES FROM NOVEMBER 30, 1893, TO JUNE 30, 1913, ADJUSTED AS TO PROPERTY INVESTMENT AND DIVIDED SO AS TO SET FORTH THE AMOUNT OF CAPITAL INVESTED AND EMPLOYED IN THE TRANSPORTATION SYSTEM. 9025

Schedule

# 1—Investments in Bonds and Stocks of and Advances to Companies outside of the Transportation System at dates stated from November 30, 1893, to June 30, 1913. 9026

"C" —CONDENSED, CONSOLIDATED SUMMARY OF INCOME AND PROFIT & LOSS BY FISCAL PERIODS FROM DECEMBER 1, 1893, TO JUNE 30, 1913.

Yours truly,
(signed) HASKINS & SELLS,
Certified Public Accountants.

LEHIGH VALLEY RAILROAD COMPANY'S TRANSPORTATION SYSTEM COMMENTS ON THE SPECIAL EXAMINATION TO JUNE 30, 1913. 9027

The following is the corporate composition of this transportation system at June 30, 1913:

Lehigh Valley Railroad Company
Lehigh Valley Railroad Company of New Jersey
The Lehigh Valley Rail Way Company
Pennsylvania & New York Canal & Railroad Company
The Schuylkill & Lehigh Valley Railroad Company 9028
The Delaware, Susquehanna & Schuylkill Railroad Company
Loyalsock Railroad Company
Easton & Northern Railroad Company
Bay Shore Connecting Railroad Company
Montrose Railroad Company
Lehigh & New York Railroad Company

9029 Lehigh Valley Transportation Company
Consolidated Real Estate Company
Pioneer Real Estate Company
United Real Estate Company

All of these corporations and their antecedents are comprehended in the accompanying exhibits.

RELATION OF THE INCOME DERIVED FROM THE TRANSPORTATION SYSTEM TO THE AVERAGE CAPITAL INVESTED AND EMPLOYED THEREIN.

9030 Prior to 1902 the fiscal year ended on November 30th, and the accounts were closed and annual reports made accordingly. In the year 1902 the fiscal year was changed to end on June 30th. Limitation of time has not permitted realignments prior to 1902, to the basis of years ended on June 30th, nor has it permitted the preparation of Consolidated General Balance Sheets at the end of all the fiscal years between November 30, 1893, and June 30, 1902, which explains why, for such
9031 period, Consolidated General Balance Sheets appear in Exhibit "B" only at the dates of November 30, 1893, 1896, and 1900, notwithstanding Exhibit "C" contains the income for each of the fiscal periods from December 1, 1893, to June 30, 1913.

The relation of the Income Derived from the Transportation System (as adjusted) to the Average Capital Invested and Employed (as adjusted) is set forth in the accompanying Exhibit "A," wherein for purposes of the demonstration, the increase in the capital invested
9032 and employed between the respective Consolidated General Balance Sheet dates prior to June 30, 1902, is apportioned according to the fiscal periods involved. While this does not produce the average capital invested and employed as accurately as might have been done if time had permitted the ascertainment of the consolidated condition at the end of each fiscal period, yet this apportionment of the increase in the capital invested and employed to the respective fiscal periods is believed to be so close an approximation as not to materially

affect the demonstration. The capital invested and em- 9033
ployed at November 30, 1893, as shown by Exhibit "B," was $107,089,838.00. At November 30, 1896, the amount was $118,597,794.00, and the increase in the period of three years was $11,507,956.00. One-third of that increase added to the capital invested and employed at November 30, 1893, makes $110,925,823.00 of capital invested and employed at November 30, 1894. The mean or average of that amount, and the amount at November 30, 1893, or $109,007,830.00 is taken as representing the average capital invested and employed during the year 9034
ended November 30, 1894. The Income Derived from the Transportation System for the year ended November 30, 1894, was $4,003,048.00, which is 3.67% of the average capital invested and employed during the year. A return of 6% on the average capital invested and employed during that year would have been $6,540,470.00, the difference between which and the Income Derived from the Transportation System represents a deficiency of $2,537,422.00, but this deficiency does not represent the entire loss to the owners of the property. Such loss 9035
has an accruing value from year to year until its recovery, and the value thereof at June 30, 1913, on the basis of annual compounding at 6%, is $7,496,156.00. These fiscal period deficiencies or losses continued at varying amounts without interruption until the year ended June 30, 1904, when the Income Derived from the Transportation System exceeded by $2,136,763.00 the amount of 6% on the average capital invested and employed for that year. This constitutes a recovery against previous deficiencies or losses, and the value thereof at June 30, 1913, on the basis of 6% annual 9036
compounding, is $3,610,016.00. Excesses of income over 6% on the average capital invested and employed, or recoveries against previous deficiencies or losses, continued without interruption until the year ended June 30, 1912, when the deficiency of income amounted to $677,242.00, with a value at June 30, 1913, of $717,877.00 This was followed in the year ended June 30, 1913, by an excess of income over 6% on the average capital invested and employed for that year in the amount of $1,251,-

9037 949.00, the value of which on June 30, 1913, obviously was the same amount.

As shown by Exhibit "A," the Average Capital Invested and Employed in the Transportation System for the period of 19 years and 7 months running from December 1, 1893, to June 30, 1913, was $148,041,899.00, and the income derived therefrom was $173,613,142.00, making an average annual return of 5.988%. While the deficiencies of income for the entire period exceeded the excesses of income, as compared with a return of 6%
9038 per annum on the Average Capital Invested and Employed, only $336,085.00, yet this amount does not truly measure the deficiency or loss of income as compared with a 6% basis. Assuming the capital invested and employed to be entitled to such a return per annum, the deficiencies and excesses throughout a term of practically 20 years of varying industrial and financial conditions should be converted into their value at the end of that term in order to establish the true relation between the Average Income Return and the Average Capital Invested and Employed. This relation is found in the
9039 net value of $21,003,043.00 at June 30, 1913, of all of the deficiencies and excesses throughout the period on the basis of annual compounding at 6% for the remainder of the term. In other words, Exhibit "A" demonstrates that the Average Capital Invested and Employed throughout the term of practically 20 years, if entitled to a return of at least 6% per annum, was entitled to $21,003,043.00 more of income from the Transportation System than was produced thereby.

9040 PROPERTY INVESTMENT.

For historical particulars respecting the composition of the Property accounts, reference is made to our report of February 26, 1914. In the accompanying exhibits, these accounts have been adjusted as follows:

RAILROAD AND APPURTENANCES:

| | |
|---|---|
| Aggregate of Railroad and Appurtenances according to the books of the several companies in the Transportation System at November 30, 1893.... | $84,584,252.31 |

| | | | |
|---|---|---|---|
| Less: | | | 9041 |
| Excess of amounts written up over amounts written down at mergers or otherwise.... | $8,353,869.05 | | |
| Discount on Bonds and Stocks ..... | 2,671,291.44 | | |
| Total Adjustment Eliminations prior to November 30, 1893 ..... | | 11,025,160.49 | |
| Leaving at November 30, 1893, on the basis of Net Cash or Equivalent Outlay in Bonds or Stocks given in payment for Property Purchased or Construction, and accepting as evidence of Cash or Equivalent Outlay original entries made on the books of acquiring companies in the remote years of the period where books of account of the acquired properties cannot be found ..... | | $73,559,091.82 | 9042<br>9043 |
| In the period from November 30, 1893, to June 30, 1913, the increase in the aggregate of the book accounts was ..... | $28,406,503.87 | | |
| Add excess of amounts written down over amounts written up at mergers or otherwise within this period..... | 3,086,022.75 | | 9044 |
| Additions and Betterments charged against Operating Expenses, 1898-1902, as reported by the Chief Engineer.. | 4,031,268.60 | | |
| Additions and Betterments, 1904-1907, charged against Operating Expenses or Income through General Reserve account ..... | 1,498,386.78 | | |

| | | | |
|---|---|---|---|
| 9045 | Additions and Betterments, 1897-1907, charged directly against Income ..... | 4,564,045.12 | |
| | Increased weight of rail laid in track, 1900-1909, and charged against Operating Expenses... | 940,244.62 | |
| 9046 | Improved Frogs and Switches and Track Fastenings, 1900-1909, charged against Operating Expenses, estimated at ordinary ratio of 68.35% of increased weight of rail ..... | 642,657.20 | |
| 9047 | That portion of National Storage Company's property, Jersey City, which is used by the Transportation System in the exercise of its common carrier functions, at cost value shown by the Storage Company's books, applied to reduce the System's advance to the Storage Company and investment in its capital stock ..... | 3,632,534.02 | |
| 9048 | | $46,801,662.96 | |
| | Less Discount on Bonds and Stocks charged to the account within this period ..... | 190,986.19 | |
| | Net amount of Cash or Equivalent Outlay on Railroad and Appurtenances from November 30, 1893, to June 30, 1913 ..... | | 46,610,676.77 |

Net amount of Cash or Equivalent Outlay in Bonds and Stocks given in payment for Property Purchased or Construction, accepting as evidence of Cash or Equivalent Outlay original entries made on the books of acquiring companies where the books of account of the acquired properties cannot be found, which are confined to the remote years of the System's history, and are not of considerable amount as more fully set forth in our report of February 26, 1914, giving a historical synopsis of the financial growth of the property comprehended in the Lehigh Valley Railroad's Transportation System..... $120,169,768.59 9049 9050

EQUIPMENT

There has not been any adjustment made in the aggregate of the Equipment accounts at November 30, 1893, because of the large amount which had been written out of said accounts and the fact that a reliable inventory and appraisal which was made at June 30, 1903, more than confirmed the integrity of the aggregate of the Equipment accounts after annulling adjustments made therein whereby $5,058,827.98 was written out at November 30, 1897, and $3,500,000.00 was written back at June 30, 1903, as a partial readjustment. 9051 9052

This inventory and appraisal of the entire Transportation System's Equipment showed a valuation at June 30, 1903, of ..... $35,548,608.81

9053 If the adjustments above mentioned had not been made the net book value of the System Equipment at June 30, 1903, would have been ..... 34,669,030.50

making excess of appraised value over the resultant net book value ..... $ 879,578.31

In the accompanying Exhibit "B" the
9054 Consolidated Equipment account at the dates of November 30, 1893 and 1896, is stated at the aggregate of the book accounts of the several companies. At the dates of November 30, 1900, and June 30, 1902, the Equipment account is stated at the aggregate of the book accounts of the several companies, plus the amount of $5,058,827.98, written out at November 30, 1897. At June
9055 30, 1903, the Equipment account of $36,022,470.14 is composed of the aggregate of the book accounts of the several companies ..... $33,584,063.85

plus excess of $5,058,827.98 written out at November 30, 1897, over $3,500,000.00 written back at June 30, 1903..... 1,558,827.98

making resultant total book value at June 30, 1903 ..... $35,142,891.83

to which is added the excess of the
9056 appraised value over the resultant net book value (total book value less reserve) credited to the Equipment Reserve account ..... 879,578.31

making the appraised value plus the Equipment Depreciation Reserve Account ..... $36,022,470.14

By elimination of the November 30, 1897, adjustment and the June 30, 1903, partial readjustment, the difference between which is not sustained by the inventory of June 30, 1903, the aggregate of System Equipment accounts at June 30, 1913, is increased from $54,759,935.06 to $56,318,763.04. The composition of the latter amount, as shown by our report of February 26, 1914, is as follows: 9057

| | | |
|---|---|---|
| Cash or Equivalent Outlay in Bonds and Stocks given in payment for Equipment. | $65,082,294.56 | |
| Less Written Off for Depreciation and at Mergers, not including the aforementioned adjustments | 8,763,531.52 | 9058 |
| Leaving | $56,318,763.04 | |
| to which has been added the following adjustments: | | |
| Excess of appraised valuation of Transportation System Equipment over net book value at June 30, 1903 (after elimination of the aforementioned adjustment credit and readjustment debit), carried to the credit of Equipment Depreciation Reserve | $879,578.31 | 9059 |
| Expenditures for new equipment and for improvement of equipment, 1904-1907: | | |
| Charged directly against Operating Expenses | 1,021,256.28 | |
| Charged directly against Income | 1,344,732.91 | |
| Charged against Operating Expenses on Income through Reserve Accounts, 1904-1907 | 3,604,121.93 | 9060 |
| Total | $6,849,739.43 | |
| Less Equipment destroyed or abandoned in the years ended June 30, 1904 to 1907, and now charged against Equipment Reserve account | 1,481,759.09 | |
| Remainder | $5,367,980.34 | |
| Making Total Equipment of entire Transportation System at June 30, 1913, as adjusted | $61,686,743.38 | |

9061 REAL ESTATE:

As shown by our report of February 26, 1914, the composition of the aggregate of the Transportation System's Real Estate accounts at June 30, 1913, is as follows:

| | |
|---|---|
| Net Cash or Equivalent Outlay, being Total Outlay less Proceeds from Sales. | $3,605,068.22 |
| Excess of amounts written up for appreciation over amounts written down.... | 91,578.43 |
| 9062 Total ..... | $3,696,646.65 |

Of the excess of amounts written up for appreciation over the amounts written down, $71,021.71 applies to the aggregate of the Real Estate book accounts at November 30, 1893, and in Exhibit "B" such aggregate has been reduced accordingly, so that the amount of $2,346,085.66 shown at that date represents the cash or equivalent outlay in excess of proceeds from sales.

9063 Application has been made at various subsequent dates of the remaining $20,556.72 of excess of amounts written up for appreciation over amounts written down, so that at June 30, 1913, the amount of $3,605,063.22 represents the cash or equivalent outlay for real estate in excess of proceeds from sales.

INCOME AND PROFIT & LOSS.

At November 30, 1893, the balances in the Profit & Loss accounts of the corporations comprehended in the Transportation System at that time were as follows:

| | |
|---|---|
| 9064 Lehigh Valley Railroad Company—Surplus ..... | $7,291,059.16 |
| Lehigh Valley Transportation Company—Surplus ..... | 229,344.23 |
| | $7,520,403.39 |
| Southern Central Railroad Company—Deficit ..... | 2,174,428.13 |
| Net Surplus of the System ..... | $5,345,975.26 |

In Exhibits "B" and "C," the aggregate of the balances in the Profit & Loss accounts of the System constituents at November 30, 1893, is shown as a deficit of $3,925,463.76. The difference between the aggregate book surplus and the aggregate adjusted deficit is $9,271,439.02, which amount is composed of the following adjustments applicable to the period prior to December 1, 1893, viz.: 9065

| | | | |
|---|---|---|---|
| Deducted from Railroad and Appurtenances for excess of amounts written up in that account over amounts written down at mergers or otherwise..... | | $8,353,869.05 | 9066 |
| Amount deducted from Railroad and Appurtenances for discount on bonds.... | $2,475,546.44 | | |
| Less unextinguished discount at November 30, 1893, on the basis of amortization of discount over the mortgage periods as set up in Exhibit "B".... | 1,824,743.18 | 650,803.26 | 9067 |
| Deducted from Railroad and Appurtenances for discount on stock, etc.... | | 195,745.00 | |
| Amount written up for appreciation of Real Estate over amounts written down. | | 71,021.71 | |
| Total Adjustment Charges..... | | $9,271,439.02 | |

Throughout the period from December 1, 1893, to June 30, 1913, the adjustments in the Property accounts have been applied in Exhibit "C" to the nominal or component accounts of Profit & Loss. The adjustments which have affected the Gross Income as shown by the Company's annual reports, after adjusting such Gross Income in respect of taxes previously deducted, have been applied accordingly. Throughout the entire period from December 1, 1893, to June 30, 1913, charges for taxes were not treated uniformly. In some of the fiscal periods, taxes were included in Operating Expenses and in some they were treated as Income Charges. Our primary adjustment of the Gross Income as stated in the Company's 9068

annual reports, in respect of the application of taxes, is for the purpose of setting forth in Exhibit "C" the amount of the charges for taxes in each of the Company's fiscal periods and the total amount of taxes from December 1, 1893, to June 30, 1913.

Adjustment of the Property Investment accounts in the period from December 1, 1893, to June 30, 1913, has had the effect of increasing the Net Corporate Income as follows:

| | |
|---|---|
| Additions and Betterments charged against Operating Expenses in the periods ended November 30, 1898, to June 30, 1902, as reported by the Chief Engineer | $4,031,268.60 |
| Additions and Betterments charged against Profit & Loss in the year ended November 30, 1897, and charged directly against Income in the years ended June 30, 1903 to 1907 | 4,564,045.12 |
| Increased weight of rail laid in track and charged against Operating Expenses in the years ended June 30, 1900, to 1909 | 940,244.62 |
| Improved Frogs and Switches and Track Fastenings charged against Operating Expenses in the years ended June 30, 1900, to 1909, estimated at experience ratio of 68.35% of increased weight of rail | 642,657.20 |
| Net Credit Adjustment of Equipment account charged to Profit & Loss | 1,847,794.46 |
| New Equipment charged directly against Operating Expenses in the years ended June 30, 1904, to 1907 | 1,021,256.28 |
| Credit arising in connection with bond issue of Easton & Northern Railroad Company, transferred from Railroad and Appurtenances account | 252.81 |
| Total Increase of Net Corporate Income from the Adjustment of Property Investment accounts | $14,392,302.00 |

| | | | |
|---|---|---|---|
| During the same period, other adjustment additions to the Net Corporate Income have been made as follows: | | | 9073 |
| Discount on Bonds charged to Profit & Loss account, adjusted by charge to Unextinguished Discount on Bonds account ..... | $1,720,930.00 | | |
| Less Discount on Bonds amortized ..... | 1,510,986.01 | 209,943.99 | |
| Charges made against Operating Expenses of Income in the years ended June 30, 1904, to 1907, on account of abandoned equipment ..... | 3,998,591.27 | | 9074 |
| Less Accrued Depreciation on Equipment in the years ended June 30, 1904, to 1907, on the same basis as the Accrual of Depreciation in subsequent years, such accrual having relation to the appraisal of the equipment at June 30, 1903, and subsequent adjustments of the Equipment Investment account ..... | 3,313,901.54 | 684,689.73 | 9075 |
| Sundry charges against Operating Expenses, Income, and Profit & Loss credited to General Reserve account in the years ended June 30, 1903, to 1906, and in the year ended June 30, 1909, the charges against which reserve account have been given appropriate disposition in the Property Investment or other accounts ..... | $2,705,586.70 | | 9076 |

| | | | |
|---|---|---|---|
| 9077 | Less amount applied to Depreciation or Amortization of Investments in companies outside of the Transportation System in the year ended June 30, 1910 ..... | 790,639.94 | 1,914,946.76 |
| 9078 | Total adjustment additions to Net Corporate Income in the period from December 1, 1893, to June 30, 1913..... | | $17,201,882.48 |

This does not include a net credit to Profit & Loss account of $3,065,466.03, by elimination from Railroad and Appurtenances and Real Estate of the excess of amounts written down over amounts written up at mergers or otherwise without contra entry in Profit & Loss account which amount is composed of:

| | | | |
|---|---|---|---|
| 9079 | Excess of amounts written out of Railroad and Appurtenances over amounts written up at mergers or otherwise..... | | $3,086,022.75 |
| | Less excess of amounts written up for Appreciation of Real Estate over amounts written down ..... | | 20,556.72 |
| | Net amount separately credited to Profit & Loss account for Adjustment of Property accounts..... | | $3,065,466.03 |

9080 The Condensed Consolidated Summary of Income and Profit & Loss in Exhibit "C" has been arranged so as to set forth the Income derived from Lehigh Valley Railroad Company's Transportation System by deducting from the adjusted Gross Income the Current Income Charges, (Taxes, Rent of Joint Facilities Dr., Rent of Leased Lines not proprietary, and Miscellaneous) and the Income from Investments in Companies outside of the Transportation System. After thus arriving at Income derived from Lehigh Valley Railroad Company's

Transportation System, the amount of Income from In- 9081
vestments in Companies outside of the Transportation System is restored in order to produce the Gross Gain Applicable to Fixed and Guaranteed Charges, etc. In the group of such charges, there is included an item of Miscellaneous Losses or Gains aggregating a net loss of $2,339,838.60, the items composing which are of such nature that while in a statement for a single year they properly might be treated as Profit & Loss charges and credits, in a statement for a period of nineteen years and seven months they should be comprehended in the Net 9082
Corporate Income.

9083

9084

9085 LEHIGH VALLEY RAILROAD COMPANY'S TRANSPORTATION SYSTEM

STATEMENT SHOWING FOR THE PERIOD FROM DECEMBER 1, 1891, TO JUNE 30, 1913, THE AVERAGE CAPITAL INVESTED AND EMPLOYED, THE RATIO OF AND THE INCOME DERIVED THEREFROM, THE DEFICIENCIES OF INCOME ON THE BASIS THAT SUCH CAPITAL IS ENTITLED TO A RETURN OF AT LEAST 6%, PER ANNUM, AND THE SINKING FUND VALUE OF SUCH DEFICIENCIES AT JUNE 30, 1913.

| DATES AND PERIODS | Capital invested and employed at beginning and end of fiscal periods, etc. | Average Capital invested and employed during fiscal periods | Income derived from the *Transportation System Annual Rate on average capital invested and employed | Amount | Rate per cent per annum on average capital invested and employed, amounting it to be entitled to at least such rate of return | Deficiencies of income as compared with 6% on average capital invested and employed | Sinking value of deficiencies June 30, 1913, of basis annual ex. pounding at 6% |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| 9086 Capital Invested and Employed, Nov. 20, 1893, | 107,039,020 | | | | | | |
| Increase during year ended Nov. 20, 1894 (⅓ of $11,507,956 increase to Nov. 20, 1896) | 3,835,985 | | | | | | |
| At Nov. 20, 1894, and for the year so ended, | 110,935,020 | 109,097,520 | 3.67 | 4,004,009 | 6,509,570 | 2,537,632 | 7,496,176 |
| Increase during year ended Nov. 20, 1895 (⅓ of $11,507,956 increase 1893-1896) | 3,835,985 | | | | | | |
| At Nov. 20, 1895, and for the year so ended, | 110,701,005 | 102,903,013 | 3.93 | 4,051,289 | 6,170,609 | 2,337,339 | 6,514,219 |
| Increase during year ended Nov. 20, 1896 (⅓ of $11,507,956 increase 1893-1896) | 3,835,986 | | | | | | |
| At Nov. 20, 1896, and for the year so ended, | 106,537,708 | 105,670,849 | 4.03 | 4,037,415 | 7,060,708 | 2,323,373 | 6,056,170 |
| Increase during year ended Nov. 20, 1897 (⅓ of $12,081,520 increase 1895-1900) | 3,015,262 | | | | | | |
| At Nov. 20, 1897, and for the year so ended, | 121,013,170 | 139,015,695 | 3.99 | 5,709,263 | 7,836,339 | 2,016,746 | 5,394,588 |
| Increase during year ended Nov. 20, 1898 (⅓ of $12,081,520 increase 1895-1900) | 3,015,263 | | | | | | |
| At Nov. 20, 1898, and for the year so ended, | 124,620,550 | 123,120,867 | 4.79 | 5,899,422 | 7,387,252 | 1,487,830 | 3,491,573 |
| Increase during year ended Nov. 20, 1899 (⅓ of $12,081,520 increase 1895-1900) | 3,015,262 | | | | | | |
| At Nov. 20, 1899, and for the year so ended, | 127,643,941 | 126,136,250 | 4.41 | 5,560,551 | 7,568,175 | 2,007,622 | 4,431,599 |
| Increase during year ended Nov. 20, 1900 (⅓ of $12,081,520 increase 1895-1900) | 3,015,263 | | | | | | |
| 9087 At Nov. 20, 1900, and for the year so ended, | 130,659,324 | 129,151,632 | 4.58 | 5,914,029 | 7,749,098 | 1,835,069 | 7,424,696 |
| Increase during year ended Nov. 20, 1901 (12/19 of $4,013,655 increase Nov. 20, 1900, to June 20, 1902) | 2,536,909 | | | | | | |
| At Nov. 20, 1901, and for the year so ended, | 133,196,234 | 131,928,779 | 5.36 | 7,075,956 | 7,915,667 | 179,651 | 1,139,563 |
| Increase during seven months ended June 20, 1902 | 1,476,715 | | | | | | |
| At June 20, 1902, and for the period so ended, | 140,672,979 | 70,127,988 | 1.72 | 1,200,159 | 6,007,677 | 5,547,559 | 6,354,696 |
| Increase during year ended June 20, 1903, | 3,065,467 | | | | | | |
| At June 20, 1903, and for the year so ended, | 137,726,441 | 139,215,710 | 5.45 | 7,235,273 | 8,172,962 | 937,689 | 1,679,222 |
| Increase during year ended June 30, 1904, | 3,766,363 | | | | | | |
| At June 30, 1904, and for the year so ended, | 941,524,708 | 949,661,573 | 7.52 | 10,575,257 | 9,639,694 | R2,126,763 | R3,630,018 |
| Increase during year ended June 30, 1905, | 7,412,542 | | | | | | |
| At June 30, 1905, and for the year so ended, | 150,937,250 | 147,220,977 | 9.11 | 13,023,631 | 9,022,809 | R3,090,573 | R4,960,749 |
| Increase during year ended June 30, 1906, | 6,450,709 | | | | | | |
| At June 30, 1906, and for the year so ended, | 150,387,957 | 155,162,602 | 7.93 | 12,297,972 | 9,309,736 | R2,988,195 | R4,491,027 |
| Increase during year ended June 30, 1907, | 6,136,737 | | | | | | |
| At June 30, 1907, and for the year so ended, | 165,504,694 | 162,446,325 | 8.39 | 13,634,139 | 9,746,779 | R3,887,351 | R3,514,292 |
| Increase during year ended June 30, 1908, | 6,147,882 | | | | | | |
| At June 30, 1908, and for the year so ended, | 171,652,576 | 169,579,635 | 7.02 | 12,015,509 | 10,170,750 | R2,760,901 | R2,667,831 |
| Increase during year ended June 20, 1909, | 5,025,305 | | | | | | |
| At June 30, 1909, and for the year so ended, | 176,677,881 | 176,165,229 | 6.62 | 11,659,853 | 10,569,907 | R1,089,946 | R1,276,032 |
| 9088 Increase during year ended June 30, 1910, | 5,628,549 | | | | | | |
| At June 30, 1910, and for the year so ended, | 194,306,290 | 181,491,980 | 7.55 | 13,705,528 | 10,889,519 | R2,816,007 | R3,353,909 |
| Increase during year ended June 20, 1911, | 14,930,265 | | | | | | |
| At June 30, 1911, and for the year so ended, | 196,236,545 | 191,271,412 | 6.97 | 13,327,255 | 11,476,284 | R1,850,931 | R2,079,706 |
| Decrease during year ended June 30, 1912, | 3,882,466 | | | | | | |
| At June 30, 1912, and for the year so ended | 204,354,079 | 205,295,312 | 5.65 | 11,599,476 | 11,777,719 | 677,262 | 717,677 |
| Increase during year ended June 20, 1913, | 2,399,424 | | | | | | |
| At June 20, 1913, and for the year so ended, | 206,753,503 | 205,553,791 | 6.06 | 12,005,170 | 11,733,227 | R1,251,949 | R1,251,949 |
| TOTAL FOR 20-7/12 YEARS | | 199,061,889 | 5.986 | 172,613,162 | 173,949,227 | 336,065 | 21,003,043 |

*Converted to annual basis by taking 7/12 of average for 7 months.

EXHIBIT "A" D—Ord

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# L. V. R. R. EXHIBIT NO. 35.

## SUMMARY OF REPRODUCTION VALUES, BY W. J. WILGUS

I. C. C. CLASSIFICATIONS AND TERRITORIAL CLASSIFICATIONS:

| | Cost of Reproduction New | Percentage of General Account | Percentage of Grand Total | Appreciation | Depreciation | Net Depreciation |
|---|---|---|---|---|---|---|
| **(19) I. C. C. CLASSIFICATIONS:** | | | | | | |
| I. ROAD | | | | | | |
| 1. Engineering (5% of items 4 to 36) | $ 4,763,414. | 2.78 | 1.47 | $.. | $.. | $.. |
| 2. Right-of-Way & Station Grounds | 57,428,956. | 33.46 | 17.70 | .. | .. | .. |
| 3. Real Estate | 14,145,662. | 8.24 | 4.36 | .. | .. | .. |
| 4. Grading | 24,452,659. | 14.25 | 7.54 | 3,853,377. | 31,662. | 3,821,815. |
| 5. Tunnels | 2,226,199. | 1.30 | .69 | .. | 2,627. | 2,627. |
| 6. Bridges, Trestles & Culverts | 13,922,570. | 8.11 | 4.29 | .. | 324,869. | 324,869. |
| 7. Ties | 8,088,592. | 4.71 | 2.49 | .. | 3,591,525. | 3,591,525. |
| 8. Rails | 12,487,794. | 7.28 | 3.85 | .. | 2,411,944. | 2,411,944. |
| 9. Frogs & Switches | 990,289. | 0.58 | 0.31 | .. | 327,987. | 327,987. |
| 10. Track Fastenings & Other Material | 2,607,174. | 1.52 | 0.80 | .. | 645,380. | 645,380. |
| 11. Ballast | 3,387,917. | 1.97 | 1.04 | 590,757. | 878. | 589,879. |
| 12. Track Laying & Surfacing | 4,288,894. | 2.50 | 1.32 | .. | .. | .. |
| 13. Roadway Tools | 90,940. | 0.05 | 0.03 | .. | 19,724. | 19,724. |
| 14. Fencing Right-of-Way | 437,104. | 0.25 | 0.13 | .. | 191,910. | 191,910. |
| 15. Crossings & Signs | 960,449. | 0.56 | 0.30 | 2,640. | 114,649. | 112,009. |
| 16. Interlocking & Other Signal Apparatus | 2,162,844. | 1.26 | 0.67 | .. | 289,946. | 289,946. |
| 17. Telegraph & Telephone Lines | 584,636. | 0.34 | 0.18 | .. | 46,254. | 46,254. |
| 18. Station Buildings & Fixtures | 2,329,324. | 1.36 | 0.72 | .. | 335,109. | 335,109. |
| 19. General Office Buildings & Fixtures | 337,042. | 0.20 | 0.10 | .. | 42,485. | 42,485. |
| 20. Shops, Enginehouses & Turntables | 4,520,813. | 2.63 | 1.39 | .. | 540,932. | 540,932. |
| 21. Shop Machinery & Tools | 1,653,147. | 0.96 | 0.51 | .. | 563,226. | 563,226. |
| 22. Water Stations | 697,022. | 0.40 | 0.21 | .. | 83,961. | 83,961. |
| 23. Fuel Stations | 342,898. | 0.20 | 0.11 | .. | 61,782. | 61,782. |
| 24. Grain Elevators | 297,802. | 0.17 | 0.09 | .. | 17,003. | 17,003. |
| 25. Storage Warehouses | 321,399. | 0.19 | 0.10 | .. | 97,768. | 97,768. |
| 26. Dock & Wharf Property | 5,172,471. | 3.01 | 1.59 | .. | 1,052,902. | 1,052,902. |
| 27. Electric-Light Plants | 13,434. | 0.01 | 0.01 | .. | 6,999. | 6,999. |
| 28. Electric Power Plants | 0 | 0 | 0 | .. | .. | .. |
| 29. Electric-Power Transmission | 0 | 0 | 0 | .. | .. | .. |
| 30. Gas-Producing Plants | 17,841. | 0.01 | 0.01 | .. | 197. | 197. |
| 31. Miscellaneous Structures | 2,916,461. | 1.70 | 0.90 | .. | 1,016,686. | 1,016,686. |
| 32. to 36. Included in foregoing items | .. | | | .. | .. | .. |
| Total Items 1 to 36 | $171,646,747. | 100.00 | 52.91 | $4,446,774. | $11,818,405. | $ 7,371,631. |

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## L. V. R. R. EXHIBIT NO. 35—(Continued).

| | Cost of Reproduction New | Percentage of General Account | Percentag of Grand Total | Appreciation | Depreciation | Net Depreciation |
|---|---|---|---|---|---|---|
| II. EQUIPMENT | | | | | | |
| 37. Steam Locomotives | $15,332,925. | 20.63 | 4.73 | .. | $5,487,031. | $5,487,031. |
| 39. Passenger Train Cars | 4,657,400. | 6.26 | 1.43 | .. | 429,957. | 429,957. |
| 40. Freight Train Cars | 47,632,212. | 64.00 | 14.68 | .. | 9,473,766. | 9,473,766. |
| 41. Work Equipment | 1,135,480. | 1.52 | 0.35 | .. | 349,322. | 349,322. |
| 42. Floating Equipment | 5,649,100. | 7.59 | 1.74 | .. | 1,955,125. | 1,955,125. |
| Total Items 37 to 42 | $74,427,117. | 100.00 | 22.93 | .. | $17,695,201. | $17,695,201. |
| I & II. CONTINGENCIES: (10% of items 1 to 36—5% of items 37 to 42=an average of 8.49% of items 1 to 42). | $20,558,936. | 100.00 | 6.44 | $ 444,694. | $ 2,066,621. | $ 1,621,927. |
| III. GENERAL EXPENDITURES | $ | | | $ | $ | $ |
| 43. Law Expenses, 44. Stationery & Printing (3½%); 45. Insurance, 46. Taxes (1%), 47. Commissions (2%), 48. Other Expenditures (1½%) (8%) | 13,347,955. | 27.51 | 4.11 | .. | .. | .. |
| 47. Interest (Average *12.55%) | 35,171,546. | 72.49 | 10.84 | .. | .. | .. |
| Total, Items 43 to 48 | $48,519,501. | 100.00 | 14.95 | .. | .. | .. |
| TOTAL ROAD, EQUIPMENT AND GENERAL EXPENDITURES | $15,478,300. | | | 4,891,468. | 21,580,227. | 26,688,759 |
| WORKING CAPITAL & STORES | 9,000,000. | | 2.77 | .. | .. | .. |
| GRAND TOTAL | $324,478,300. | | 100.00 | $4,891,468. | $21,580,227. | $26,688,759. |

* 12.16% incl. Working Capital.

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# L. V. R. R. EXHIBIT NO. 35—(Continued).

| | Cost of Reproduction New | Route Mileage (Newest Hundreth) | Cost per Mile Reproduction New | Appreciation | Depreciation | Net Depreciation |
|---|---|---|---|---|---|---|
| **(30) TERRITORIAL CLASSIFICATIONS:** | | | | | | |
| MAIN LINE: (Double track except where otherwise noted) | | | | | | |
| Jersey City to Parkview (Inc. J. C. Term.) | $22,326,261. | 9.94 | $2,246,103. | $ 192,632. | $ 703,480. | $ 520,828. |
| Parkview to South Plainfield | 2,749,305. | 15.16 | 181,353. | 173,467. | 109,952. | 63,515. |
| South Plainfield to Delaware River (52.69 miles 3rd & 4th tracks) | 13,830,333. | 50.04 | 276,358. | 489,840. | 461,717. | 28,123. |
| Delaware River to Penn. Haven Junction (65.95 mls. 3rd & 4th tracks) | 25,231,964. | 53.94 | 467,744. | 526,182. | 1,166,674. | 640,492. |
| Penn Haven Jct. to Gracedale (11.17 miles 3rd track) | 4,335,765. | 27.93 | 155,126. | 195,930. | 181,976. | 13,954. |
| Gracedale to Wilkes-Barre (11.13 miles single trk.; 6.24 miles double trk.) | 3,658,931. | 17.37 | 210,647. | 74,295. | 114,345. | 40,050. |
| Wilkes-Barre to Ransom (4 miles 3rd & 4th track) | 10,011,419. | 14.31 | 699,610. | 152,243. | 419,413. | 267,170. |
| Ransom to Sayre | 10,668,731. | 79.52 | 134,166. | 217,561. | 520,884. | 303,323. |
| Sayre to State Line (Incl. Sayre Yard; Excl. Sayre Shops) | 2,527,746. | 3.41 | 741,274. | 3,190. | 261,657. | 258,467. |
| State Line to Geneva (Incl. City of Geneva) | 8,693,874. | 72.43 | 120,031. | 340,554. | 611,216. | 270,662. |
| Geneva to Depew (11.10 mls. 3rd track) | 10,797,879. | 92.59 | 116,633. | 318,586. | 789,631. | 471,045. |
| Depew to East Buffalo | 1,141,653. | 5.77 | 197,860. | 2,024. | 74,493. | 72,469. |
| East Buffalo to Buffalo (Inc. Scott St. Terminal) | 8,657,160. | 4.45 | 1,945,429. | 70,590. | 236,144. | 165,554. |
| Total | $124,651,021. | 440.87¢ | $ 278,998. | $2,767,114. | $ 5,651,582. | $ 2,904,468. |
| PRINCIPAL TERMINALS: (Exclusive of Main Line Terminals) | | | | | | |
| Greater New York | $ 1,333,561. | .. | .. | $ 296. | $ 55,751. | $ 55,455. |
| National Docks | 8,047,359. | 9.47 | .. | 61,307. | 191,136. | 129,829. |
| National Stores (R. R. portion) | 5,042,143. | 0.98 | .. | 65,226. | 322,255. | 257,029. |
| Perth Amboy | 9,960,776. | 1.92 | .. | 70,561. | 941,935. | 871,374. |
| Tifft Farm (Incl. portion of L. & L. E. R. R.) | 15,606,456. | 1.24 | .. | 1,290. | 426,858. | 425,568. |
| Sayre Shops | 4,417,887. | .. | .. | 0. | 437,853. | 437,853. |
| Total | $ 44,408,181. | 13.61 | .. | $ 198,680. | $ 2,376,788. | $ 2,177,108. |

¢ Public Service Commission's Estimated Cost of Buffalo, Rochester & Eastern R. R. proposed double-track line excl. of equipment, between Buffalo & Troy.....$292,360. per mile

## L. V. R. R. EXHIBIT NO. 35—(Continued).

| | Cost of Reproduction New | Route Mileage (Nearest Hundreth) | Cost per Mile Reproduction New | Appreciation | Depreciation | Net Depreciation |
|---|---|---|---|---|---|---|
| SUB-MAIN LINES: (Single track except where otherwise noted) | | | | | | |
| Perth Amboy, West of Terminal (Double track; 3.87 mls. 3rd track) | $ 1,226,950. | 7.98 | $153,753. | 23,612. | $ 65,380. | $ 41,778. |
| M. & H. Division, Main Stem (Double track except 5.98 miles) | 7,526,455. | 54.91 | 137,322. | 241,181. | 581,473. | 340,292. |
| Mountain Cut-off (Double track) | 2,131,889. | 20.46 | 104,198. | 126,655. | 127,921. | 1,266. |
| Bowmans Creek Branch, including Canoga Lake Branch | 1,945,140. | 51.35 | 37,880. | 62,001. | 161,176. | 99,175. |
| State Line & Sullivan Railroad | (not included in L. V. R. R. Valuation) | | | | | |
| Towanda (Barclay) Branch | 573,104. | 1.70 | 330,170. | 6,332. | 29,084. | 22,752. |
| Lehigh & New York R. R. (In N. Y. & Pa.) | 5,628,307. | 116.78 | 48,196. | 235,254. | 667,430. | 432,176. |
| E. C. & N. R. R. | 5,486,471. | 139.24 | 39,403. | 325,589. | 585,348. | 259,759. |
| Ithaca Branch | 2,637,674. | 50.49 | 44,338. | 73,719. | 309,850. | 236,131. |
| Niagara Falls Branch (Double track) | 1,039,650. | 10.55 | 100,441. | 31,335. | 88,135. | 56,800. |
| Lehigh & Lake Erie Branch (Double track; Tifft Farm excluded) | 3,156,203. | 9.68 | 326,054. | 73,321. | 56,670. | 16,651. |
| Total | $61,371,845. | 473.13 | $ 96,448. | $1,199,109. | $2,672,477 | $1,473,368. |
| IMPORTANT BRANCHES: (Single track except where otherwise noted) | | | | | | |
| Easton & Northern R. R., including Bushkill Branch | $ 1,565,854. | 12.94 | $121,009. | $ 20,719. | $ 55,098. | $ 28,379. |
| Pottsville Branch | 2,236,903. | 41.71 | 53,630. | 139,422. | 131,384. | 8,038. |
| Bear Creek Branch | 153,071. | 7.38 | 20,741. | 6,003. | 23,378. | 17,375. |
| M. & H. Division, Quakake Branch (Double track) | 1,020,986. | 16.66 | 61,291. | 85,290. | 131,829. | 70,539. |
| M. & H. Division, Hays Cr. and Buck Mtn. Branches (4.37 mls. double tracked) | 1,412,044. | 14.43 | 97,862. | 1,525. | 29,835. | 28,310. |
| M. & H. Division, D. S. & S. Main Stem (Sheppton Branch) | 720,152. | 22.80 | 31,855. | 72,563. | 92,209. | 19,646. |
| M. & H. Division, Other Important Branches. (11.27 miles double tracked) | 2,813,930. | 66.83 | 42,106. | 145,998. | 344,621. | 198,623. |
| Montrose Branch | 603,401. | 27.25 | 22,142. | 8,674. | 93,968. | 85,294. |
| Waverly Branch (In N. Y. & Pa.) | 353,667. | 1.82 | 194,322. | 1,193. | 25,347. | 24,154. |
| Auburn & Ithaca Branch | 1,853,015. | 42.44 | 43,662. | 47,260. | 196,086. | 148,827. |
| Cayuga Branch | 209,970. | 3.93 | 53,564. | 6,595. | 9,489. | 2,894. |
| Naples Branch | 810,163. | 29.39 | 27,566. | 36,238. | 131,201. | 94,973. |
| Seneca Falls Branch (including uncompleted extension) | 669,215. | 8.17 | 81,911. | 572. | 43,546. | 42,974. |
| Rochester Branch | 2,917,663. | 29.06 | 100,401. | 58,113. | 198,443. | 140,330. |
| Total | $17,349,084. | 324.99 | $ 53,395. | $605,184. | $1,536,444. | $ 930,260. |

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# L. V. R. R. EXHIBIT NO. 35—(Continued).

| | Cost of Reproduction New | Route Mileage (Nearest Hundreth) | Cost per Mile Reproduction New | Appreciation | Depreciation | Net Depreciation |
|---|---|---|---|---|---|---|
| MINOR BRANCHES AND MISCELLANEOUS: | | | | | | |
| New Jersey, Main Line Minor Branches, E. of S. Plainfield | $ 3,033,492. | 8.63 | $351,505. | $ 22,380. | $ 214,217. | $ 191,627. |
| New Jersey, Main Line Minor Branches, W. of S. Plainfield | 487,571. | 12.17 | 40,063. | 15,087. | 56,185. | 41,098. |
| New Jersey, Perth Amboy Branch, Minor Branches | 194,573. | 7.17 | 27,137. | 7,095. | 28,181. | 21,086. |
| New Jersey, S. Plainfield Storage Plant | 455,485. | .. | .. | 5,105. | 39,282. | 34,177. |
| Pennsylvania, Main Line Minor Branches, Delaware River to Wilkes-Barre | 2,234,084. | 24.96 | 89,506. | 19,176. | 108,536. | 89,360. |
| Pennsylvania, Main Line Minor Branches, Wilkes-Barre to State Line (incl. W. Pittston Branch) | 2,175,204. | 30.24 | 71,931. | 43,438. | 146,560. | 103,122. |
| Pennsylvania, Mountain Cut-off Minor Branches | 78,283. | 2.59 | 30,225. | 1,010. | 12,435. | 11,425. |
| Pennsylvania, M. & H. Div., Main Line Minor Branches | 321,985. | 14.89 | 21,620. | 7,540. | 50,942. | 43,402. |
| Pennsylvania, D. S. & S., Minor Branches | 463,789. | 14.62 | 31,732. | 19,363. | 69,417. | 50,054. |
| Pennsylvania, Philadelphia Properties | 902,418. | .. | .. | 0. | 20,438. | 20,438. |
| New York, Main Line Minor Branches | 67,523. | 3.01 | 22,433. | 0. | 10,932. | 10,932. |
| New York, Fair Land Realty Co. (De Veaux Col. Land) | 95,505. | .. | .. | 0. | .. | .. |
| Chicago Property | 229,038. | .. | .. | 0 | 36,850. | 36,850. |
| Total | $10,750,970. | 118.28 | .. | $ 140,401. | $ 703,975. | $ 563,574. |
| ROAD.—Total including Contingencies, General Expenditures and Interest | $233,499,050. | 1,375.78 | $166,066. | 4,891,468. | $13,000,366. | $ 8,108,798. |
| EQUIPMENT.—Total including Contingencies, General Expenditures and Interest | $6,979,250. | .. | $3,222. | .. | 18,979,961. | 18,979,961. |
| WORKING CAPITAL AND STORES | 9,000,000. | .. | 6,543. | | .. | .. |
| GRAND TOTAL | $254,478,300. | 1,375.78 | $235,831. | $4,891,468. | $31,980,327. | $26,088,759. |

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# L. V. R. R. EXHIBIT NO. 35—(Continued).

## ANALYSIS OF COSTS

| | | | | | |
|---|---|---|---|---|---|
| Measureable Items: | Road | Right-of-Way & Station Grounds | | | $ 57,428,956. |
| | | Real Estate | | | 14,143,662 |
| | | Total Lands | | | $ 71,572,618 |
| | | Other Items | | | 90,397,715 |
| | | Total | | | 166,882,323 |
| | Equipment | | | | 74,427,117. |
| | | Total | | | $241,309,450. |
| Overhead Charges: | Engineering | | | | |
| | Contingencies—Road | | $17,164,079 | $4,763,414 | |
| | | Equipment | 3,721,356. | 20,885,935 | |
| | Genl. Expenditrs—Road | | 9,440,182 | | |
| | | Equipment | 3,907,423. | 13,347,605 | |
| | Interest | Road | 30,249,192 | | |
| | | Equipment | 4,923,354. | 35,171,546. | 74,169,850 =30.74% of measureable items. |
| Total, exclusive of Working Capital & Stores | | | | | $315,479,300. |
| Working Capital & Stores | | | | | 9,000,000. |
| Grand Total | | | | | $324,479,300. |

Mileage—Route 1,375.78, Single Main Tracks 2,100.39, Sidings 1,139.99, All Tracks 3,240.38.
Road Cost per Mile exclusive of Equipment:—Route $166,066., Single Main Track $109,789., All Tracks $70,317.

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L. V. R. R. EXHIBIT NO. [redacted]

2285

# Abstract

of Report on

# Appraisal of Lehigh Valley Railroad

By

WILLIAM J. WILGUS

# Abstract

of Report on

# Appraisal of Lehigh Valley Railroad

By

WILLIAM J. WILGUS

Reprinted from the *Engineering Record*
of May 16 and 30, 1914

# Appraisal of Lehigh Valley Railroad

Abstract of Comprehensive Report by William J. Wilgus on Evaluation of the Physical Property Made under His Direction for the Company

COMMENT has already been made in this journal on the fact that the recent appraisal of the Lehigh Valley Railroad for the company showed a value nearly double the capitalization. The work was done under the direction of William J. Wilgus, consulting engineer, of New York City, and formerly vice-president and chief engineer of the New York Central & Hudson River Railroad. In his report, from which these notes are taken, he sets forth underlying principles of valuation, describes the methods employed in this particular appraisal, presents his results according both to Interstate Commerce Commission and to territorial classifications, and in a series of appendices enlarges upon various phases of the work and explains why his total is so far in excess of the capitalization of the road. His diagnosis of the general principles of evaluation, and of the reasons why reproduction cost new is the only proper basis, accord with his presentation of the subject last year before the American Society of Civil Engineers—which was abstracted in the Engineering Record in the issues of June 14, 1913, page 654, and June 21, page 692.

A careful physical valuation of the property owned or controlled and used or held for the purposes of a common carrier by the Lehigh Valley Railroad, shows that its estimated cost of reproduction new, as a going concern actively engaged in handling the current volume of traffic as of Jan. 1, 1914, is fully $324,478,300.

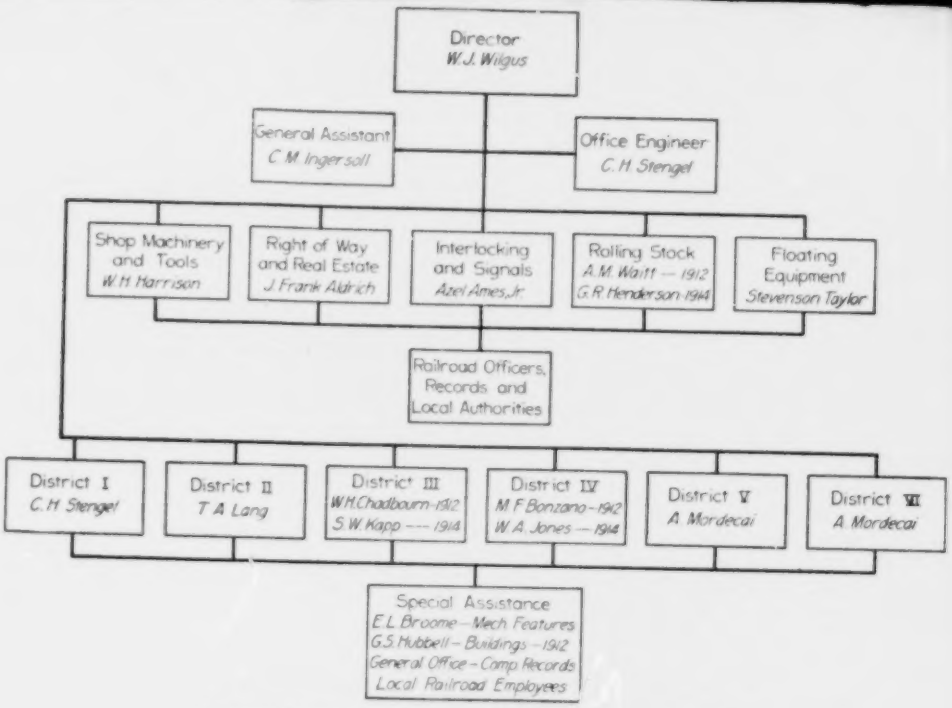
No deduction has been made from this estimate for depreciation, as the purpose of the valuation is not one of sale, whereby the liability to restore depreciation would be transferred to the purchaser, but rather to determine the capital sum upon which the company is entitled to earn a fair return. Anticipating, however, that the need may arise for knowledge as to the amount of depreciation, the condition of the property was inspected in detail and the conclusion reached that the sum required to offset net depreciation as of Jan. 1, 1914, is approximately $26,688,759. The depreciation thus estimated is the normal result of ordinary usage, and is inseparable from any well maintained going concern like the Lehigh Valley Railroad.

### Organization

The valuation corps was organized in much the same way that would be done in the actual building of a railroad. For the valuation of "Road," as defined by the Interstate Commerce Commission classification, six districts were laid out, each under the charge of an engineer of wide experience in the responsible direction of maintenance and construction of railroads, who, with the aid of office and field assistants, was peculiarly fitted to adjust unit prices to local conditions and observe depreciation and appreciation, all without the handicap of seeing through the eyes of less experienced men.

To avoid inconsistencies, tentative prices were adopted after conferences between Mr. Wilgus and his assistants. They represent the average costs of reproduction new that would apply to the system as a whole. Those that would naturally vary with local conditions were considered to be subject to change by the district engineer, to fit the situation as he found it on the ground. Where possible actual costs and quantities were obtained from the company's records, but these were used merely as an aid in arriving at the present-day cost of reproduction.

While engineers of this character could personally pass upon the majority of the items entering into way and structures. there were several features that required the attention of special experts. These consisted of right-of-way and real estate, interlocking and signals, and shop machinery and tools. In addition, the district engineers at times needed advice on other




**Organization Chart for the Lehigh Valley Evaluation**

specialties, such as heating, lighting and power plants in shops and engine houses, and important or unusual structures.

The right-of-way and real-estate expert was required to be one of wide experience in the purchase of land for railroad purposes, with an intimate knowledge of railroad land values in the East. He was expected to ascertain the current values of neighboring lands as a means of measuring the value of the railroad properties, make inquiries of local real-estate agents and others familiar with the subject, and in finally fixing values, to take into account the increment that experience has taught should be added in each case for railroad purchases and plottage.

It was believed that this method of ascertaining the reproductive cost of right-of-way and real estate through the central agency of a man having this comprehensive knowledge of the values of land purchased and used for railroad purposes would avoid the inconsistencies and errors that are common where the work is entrusted to a multitude of local men unversed in the broader aspects of the problem.

## LAND

Three methods of valuing land were considered: Original cost, basic cost with no added allowance for damages, and reproductive cost. The first method was impracticable for the reason that the records were generally incomplete or could not be found. Basic value of railroad right-of-way is the present average normal worth of neighboring whole tracts, from which is estimated the reproductive cost of severed or assembled parcels required to produce the right-of-way. The use of this value is deemed inequitable in that where there has been little growth of land values the estimated figures may be less than those actually paid. Hence it has seemed proper to use the reproductive method in all cases. The adoption of this method on the Lehigh Valley has resulted in the addition of an average of but 50 per cent to the basic value for the entire road, and it is believed that this is a very conservative estimate of what it would cost to reproduce the right-of-way and real estate of the company at this time.

Rolling stock and floating equipment, as defined by the Interstate Commerce Commission, were each placed under the charge of an engineer of standing in his specialty. They necessarily could not personally view each locomotive, car and boat, but they in-

spected a sufficient number of each class or type, in connection with the company's complete records as to use and maintenance of all equipment, to be able to fix their value and condition.

Provision for engineering, for contingencies, for general expenditures as defined by the Interstate Commerce Commission covering all three states of construction, and for working capital and stores, was made. Overhead charges aggregate 30.74 per cent of the estimated cost of the measurable items, whereas the use of a higher rate of 35.37 per cent would have been entirely justifiable through the employment of a rational in place of the empirical or usual method of calculating interest charges. These percentages are in contrast with approximately 40 per cent in the Buffalo, Rochester & Eastern and the Virginian Railway cases.

Forms and tables were prepared for facilitating and checking office and field work. With these, estimates were detailed and summarized in subdivisions of suitable length, and then again summarized into branches and main line or into taxing districts, as might be desired, all in accordance with the classification of the Interstate Commerce Commission.

Territorial valuation was considered necessary so that the results might be utilized at will in the future consideration of various routings of traffic, and also in verifying values for different purposes. Moreover, the ascertainment of cost per mile by subdivisions made possible a close general check on the accuracy of the work.

While quantities were taken as of Jan. 1, 1914, this was not considered feasible for unit prices subject to violent fluctuations that should be averaged over a past period of several years.

The valuation work was originally done between Nov. 15, 1911, and April 30, 1912, and the revaluation bringing the results down to Jan. 1, 1914, was commenced in August, 1913, and completed March 20, 1914.

## Results

The results of the valuation of the road as a whole are summarized in the accompanying tables.

Territorially the costs per mile vary widely. The terminal costs per mile at Jersey City and Buffalo are respectivelv $2,246,103 and $1,945,429. The 54-mile section from the Delaware River to Penn Haven Junction, which includes 66 miles of third and fourth track, figures $467,744; the 92-mile section from Geneva to Depew is only $116,633. The average for the whole double-track main line from Jersey City to Buffalo, 447 miles, is $278,898. These figures exclude equipment. The last amount compares with the $292,360 per mile, exclusive of equipment, estimated by the New York Public Service Commission, Second District, as the cost of the Buffalo, Rochester & Eastern Railroad, which it was proposed to build from Buffalo to Troy. For the branch lines, which are mostly single track, the costs per mile are much lower, the lowest being only $20,741. For the entire road the cost per mile is $166,086; adding to this $63,222 per mile for equipment and $6,542 for working capital, the total for the road complete is $235,850 per mile. This figures $154,485 per mile of single main track.

These figures do not include the value of intangible property, such as franchises (apart from street and stream crossings) and equities that the company may possess through trackage rights over foreign lines.

The large difference between the cost of reproduction new and the company's book costs is found to be due to:

(a) Capital eliminated in foreclosure proceedings, reorganizations, and absorptions.

(b) Equipment depreciation charged off on the books.

(c) Additions and betterments and other improvements not charged on the books to capital.

(d) Increment in value of lands.

(e) Use of the "going" company's facilities for which it has not been usual with the Lehigh Valley Railroad Company to make a charge against capital, such as use of equipment, transportation of men, tools and material, and shop and office facilities.

(f) Engineering, and general expenditures as defined by the Interstate Commerce Commission, including interest on money during construction, for which adequate charges have seldom if ever been entered against the capital account. These items aggregate a very large sum, amounting in this case to $53,282,915, or 20.3 per cent of what may be termed the measurable items plus contingencies. The propriety of including these items has been widely recognized in the Michigan, Wisconsin and Minnesota rate cases, and in the Rochester & Eastern, Elmira Traction Company and Buffalo, Rochester &

TABLE 1—SUMMARY OF VALUATION ACCORDING TO INTERSTATE COMMERCE COMMISSION CLASSIFICATIONS

| Road | Cost of reproduction new | Percentage of general account | Percentage of grand total | Appreciation | Depreciation | Net depreciation |
|---|---|---|---|---|---|---|
| 1. Engineering (5 per cent of items 4 to 36) | $4,763,414 | 2.78 | 1.47 | ..... | ..... | ..... |
| 2. Right-of-way and station grounds | 57,428,956 | 33.46 | 17.70 | ..... | ..... | ..... |
| 3. Real estate | 14,145,662 | 8.24 | 4.36 | ..... | ..... | ..... |
| 4. Grading | 24,452,659 | 14.25 | 7.54 | $3,853,377 | $31,662 | •$3,821,815 |
| 5. Tunnels | 2,226,199 | 1.30 | 0.69 | ..... | 2,627 | 2,627 |
| 6. Bridges, trestles and culverts | 13,922,570 | 8.11 | 4.29 | ..... | 324,869 | 324,869 |
| 7. Ties | 8,088,592 | 4.71 | 2.49 | ..... | 3,591,525 | 3,591,525 |
| 8. Rails | 12,487,794 | 7.28 | 3.85 | ..... | 2,411,944 | 2,411,944 |
| 9. Frogs and switches | 990,289 | 0.58 | 0.31 | ..... | 327,987 | 327,987 |
| 10. Track fastenings and other material | 2,607,174 | 1.52 | 0.80 | ..... | 645,380 | 645,380 |
| 11. Ballast | 3,387,917 | 1.97 | 1.04 | 590,757 | 878 | •589,879 |
| 12. Track laying and surfacing | 4,288,894 | 2.50 | 1.32 | ..... | ..... | ..... |
| 13. Roadway tools | 90,940 | 0.05 | 0.03 | ..... | 19,724 | 19,724 |
| 14. Fencing right-of-way | 437,104 | 0.25 | 0.13 | ..... | 191,910 | 191,910 |
| 15. Crossings and signs | 960,449 | 0.56 | 0.30 | 2,640 | 114,649 | 112,009 |
| 16. Interlocking and other signal apparatus | 2,162,844 | 1.26 | 0.67 | ..... | 289,946 | 289,946 |
| 17. Telegraph and telephone lines | 584,636 | 0.34 | 0.18 | ..... | 46,254 | 46,254 |
| 18. Station buildings and fixtures | 2,329,324 | 1.36 | 0.72 | ..... | 335,109 | 335,109 |
| 19. General office buildings and fixtures | 337,042 | 0.20 | 0.10 | ..... | 42,485 | 42,485 |
| 20. Shops, engine houses and turntables | 4,526,813 | 2.63 | 1.39 | ..... | 540,932 | 540,932 |
| 21. Shop machinery and tools | 1,653,147 | 0.96 | 0.51 | ..... | 563,226 | 563,226 |
| 22. Water stations | 697,022 | 0.40 | 0.21 | ..... | 83,961 | 83,961 |
| 23. Fuel stations | 342,898 | 0.20 | 0.11 | ..... | 61,782 | 61,782 |
| 24. Grain elevators | 297,802 | 0.17 | 0.09 | ..... | 17,003 | 17,003 |
| 25. Storage warehouses | 321,399 | 0.19 | 0.10 | ..... | 97,768 | 97,768 |
| 26. Dock and wharf property | 5,172,471 | 3.01 | 1.59 | ..... | 1,052,902 | 1,052,902 |
| 27. Electric-light plants | 13,434 | 0.01 | 0.01 | ..... | 6,999 | 6,999 |
| 28. Electric power plants | ..... | .... | .... | ..... | ..... | ..... |
| 29. Electric power transmission | ..... | .... | .... | ..... | ..... | ..... |
| 30. Gas-producing plants | ..... | .... | .... | ..... | ..... | ..... |
| 31. Miscellaneous structures | 17,841 | 0.01 | 0.01 | ..... | 197 | 197 |
| 32 to 36. Included in foregoing items | 2,916,461 | 1.70 | 0.90 | ..... | 1,016,686 | 1,016,686 |
| Total, items 1 to 36 | $171,645,747 | 100.00 | 52.91 | $4,446,774 | $11,818,405 | $7,371,631 |
| *Equipment* | | | | | | |
| 37. Steam locomotives | 15,352,925 | 20.63 | 4.73 | ..... | $5,487,031 | $5,487,031 |
| 39. Passenger-train cars | 4,657,400 | 6.26 | 1.43 | ..... | 429,857 | 429,857 |
| 40. Freight cars | 47,632,212 | 64.00 | 14.68 | ..... | 9,473,766 | 9,473,766 |
| 41. Work equipment | 1,135,480 | 1.52 | 0.35 | ..... | 349,322 | 349,322 |
| 42. Floating equipment | 5,649,100 | 7.59 | 1.74 | ..... | 1,955,125 | 1,955,125 |
| Total, items 37 to 42 | $74,427,117 | 100.00 | 22.93 | ..... | $17,695,201 | $17,695,201 |
| *Contingencies* | | | | | | |
| Ten per cent of items 1 to 36 and 5 per cent of items 37 to 42—an average of 8.49 per cent of items 1 to 42 | $20,885,925 | 100.00 | 6.44 | $444,694 | $2,066,621 | $1,621,927 |
| *General Expenditures* | | | | | | |
| 43. Law expenses | | | | | | |
| 44. Stationery and printing | ½ per cent | | | | | |
| 45. Insurance | | | | | | |
| 46. Taxes (1 per cent) | | | | | | |
| 47. Commissions (2 per cent) | 5 per cent | $12,347,955 | 37.51 | 4.11 | ..... | ..... |
| 48. Other expenditures (1½ per cent) | | | | | | |
| 47. Interest (average† 12.55 per cent) | | 25,171,546 | 72.49 | 10.84 | ..... | ..... |
| Total, items 43 to 48 | | $48,519,501 | 100.00 | 14.95 | ..... | ..... |
| Total Road, Equipment and General Expenditures | | $315,478,360 | .... | .... | $4,891,468 | $31,580,227 | $26,688,759 |
| Working Capital and Stores | | 9,000,000 | .... | 2.77 | ..... | ..... | ..... |
| Grand Total | | $324,478,300 | .... | 100.00 | $4,891,468 | $31,580,227 | $26,688,759 |

•Net appreciation.
†Including working capital, 12.16 per cent.

Eastern cases before the Public Service Commission of the State of New York. In the latter case the commission added 29.5 per cent as compared with 20.3 per cent used in this appraisal.

In conclusion it may be said that these estimates have been made in painstaking detail by experienced engineers, specially versed in railway construction and maintenance, and guided by a spirit of conservatism in the determination of debatable points. Moreover in mind that the purpose has been to arrive at the cost of construction, not of a series of inert lines unresponsive to large traffic demands, nor to the gradual expansion of a company already alive and self-supporting, but rather to the creation *de novo* of a vitalized, homogeneous system of transportation, equipped, manned and trained for the same character of service that is now efficiently performed by the Lehigh Valley system.

Ultra-conservatism in the fixing of unit

TABLE 2—ANALYSIS OF COSTS FOR THE "GOING" CONCERN

| | | | | |
|---|---|---|---|---|
| **Measurable Items:** | | | | |
| Road: | | | | |
| Right-of-way and station grounds | | | | $57,428,956 |
| Real estate | | | | 14,145,662 |
| Total lands | | | | $71,574,618 |
| Other items | | | | 95,307,715 |
| Total | | | | $166,882,333 |
| Equipment | | | | 74,427,117 |
| Total | | | | $241,309,450 |
| | | | Per cent of meas. items | |
| **Overhead Charges:** | | | | |
| Engineering | | $4,763,414 equals | 1.97 | |
| Contingencies: | | | | |
| Road | $17,164,579 | | | |
| Equipment | 3,721,356 | | | |
| | | 20,885,935 equals | 8.66 | |
| General expenditures: | | | | |
| Road | $9,440,532 | | | |
| Equipment | 3,907,423 | | | |
| | | 13,347,955 equals | 5.53 | |
| Interest: | | | | |
| Road | $30,248,192 | | | |
| Equipment | 4,923,354 | | | |
| | | 35,171,546 equals | 14.58 | *74,168,850 |
| Total exclusive of working capital and stores | | | | $315,478,300 |
| Working capital and stores | | | | 9,000,000 |
| Grand total | | | | $324,478,300 |

Mileage: Route, 1,375.78; single main tracks, 2,100.38; sidings, 1,139.25; all tracks, 3,240.36.
Road cost per mile, exclusive of equipment: Route, $166,086; single main track, $108,789; all tracks, $76,517.

*This is 30.74 per cent of the measurable items.

prices and overhead percentages has in this case resulted in what is believed to be an under rather than an over-valuation. Had advantage been taken in many instances of justifiably higher prices and charges, the estimates would have been considerably larger.

## UNIT PRICES

The tentative unit prices adopted are based on the practice of Mr. Wilgus, adapted to average conditions on the Lehigh Valley Railroad after consultation with his assistants and with the chief engineer of the company, and following a study of the company's records. They have been used, except in those instances where the local conditions were such as to call for modifications.

Normal or basic land values have been secured from local authorities. To these have been added amounts to cover the increased cost that the experience of the expert retained for this purpose has shown are necessarily incurred in the acquisition of railroad lands, because of severance and other damages, and the disposition of owners to exact as much as possible for that which they know the purchaser must acquire. The factor that has been used in determining the added amounts for damages, etc., varies according to the locality and surrounding conditions. In cities the increase averages 44 per cent, in villages 103 per cent, in country districts 119 per cent, and on the entire system 50 per cent. These figures are averages for both right-of-way and real estate, the latter usually bearing a much smaller factor than the former. The adopted prices do not include engineering and legal expenses, nor costs of condemnation, salaries and expenses of right-of-way agents, building removals, commissions to agents, fees and payments for abutting damages. For these costs of acquisition percentages ranging from 1 to 5 per cent have been added to the estimated compensation to owners.

While the tentative excavation prices may be used as a general guide, they require local modification so as to harmonize with topographical and geological conditions that vary over a large system. The modifications made took into consideration the division of the territory into construction districts attractive to high-grade contractors with followings of sub-contractors. The tentative masonry and steel prices were in general used without change. Each of the four tunnels on the system was studied individually to determine the correct prices. Addition of freight rates to the costs at the mills of rails, frogs, switches and track fastenings caused a wide variety of prices for these materials. A number of charts were compiled to show the fluctuating prices of different materials and facilitate the determination of correct average prices.

## Overhead Charges

To the measurable items embraced in the Interstate Commerce Commission accounts must be added certain percentages for overhead expenses which experience has shown are necessary for the inception and creation of the enterprise. These overhead charges are: Engineering, classified as account 1 and applicable to all of the road items with the exception of 2 and 3; contingencies, applicable to all items embraced under road and equipment; general expenditures, exclusive of interest, applicable to all of the Interstate Commerce Commission items, including the proportion added thereto for contingencies; and interest during construction, applicable to all of these items, including the foregoing percentages.

Taken as a whole, the ratio that the overhead charges, including engineering, contingencies and general expenditures, bear to the measurable values in the Lehigh Valley and other recent cases are indicated in Table 3.

## Engineering

General practice varies somewhat as to the proper percentage that should be added to cost of construction for railroad engineering, the usual limits ranging from 4 to 5 per cent and upward. The former rate may be proper in the West, but is insufficient in the East, where salaries and expenses are higher, and where there exists a greater demand for the better grades of talent, because of the more intricate problems that arise in a thickly settled community and on a complicated system like the Lehigh Valley. On public works the percentages have ranged from 5 to 10 per cent and upward.

## Contingencies

An inventory of the items entering into the construction of the Lehigh Valley must necessarily have missing much that is invisible to the eye, through covering of snow and vegetation, concealed foundations, mine and swamp settlements, road changes and similar causes. There is the certainty of claims for damage to adjacent land owners, personal injuries, contractors' extras and losses and other legal complications and disputes. Loss and damage for which the company is liable always occur during construction, as from failures of structures, washouts and floods and errors of officers and engineers. Delays are sure to arise, adding to the expense of construction, as for instance from strikes, and difficulty in obtaining material, labor and right-of-way.

Finally there is always the danger of a rising market for materials and labor, and of scarcity of high-grade contractors. The experience of Mr. Wilgus and others has shown that an addition of from 15 to 20 per cent to carefully prepared preliminary estimates is none too large. The instances are many where enterprises have underestimated their cash needs, through inadequate allowance for contingencies, with disastrous financial results, as in the instance of the Western Pacific Railway.

It may be said that the knowledge gained from the study of a completed system like the Lehigh Valley largely eliminates elements of contingency. This is true of features like classification of excavation, adequacy of waterways and miscellaneous items often forgotten in a preliminary estimate; but the largest elements of chance still remain, such as damage suits, delays, rising markets, scarcity of contractors, and many omissions. In many cases on the Lehigh Valley the appraised figures, including the provision for contingencies, have been found to be less than actual cost, where the latter has been ascertainable from the books. There is also the further item, unprovided for elsewhere, of maintenance of tracks and structures pending the commencement of operation.

Table 3—Ratio of Overhead Charges to Measurable Values

| Case | Per cent |
|---|---|
| Lehigh Valley valuation as reported | 30.74 |
| Lehigh Valley adding shortage in interest charges | 35.37 |
| Virginian Railway (approx.) | 39.8 |
| Buffalo, Rochester & Eastern | 40.3 |
| Western Pacific Railway | Very large |

Although some of the uncertainties that apply to road are absent in the case of equipment, there are others to be considered, as for instance engineering and inspection elsewhere unprovided, spare parts, and the expense of "breaking in" and caring for cars, locomotives, boats and vessels preliminary to placing them in service.

It should be added that beyond the allowance made under "general expenditures" for general officers and clerks, no special provision has elsewhere been made for the expense of manning and training the system in readiness for the safe, prompt, and economical handling of the volume of traffic now enjoyed by the Lehigh Valley.

## General Expenditures

The Interstate Commerce Commission classification of expenditures for road and

equipment provides for the charging of the following items to "general expenditures": (43) Law expenses, (44) stationery and printing, (45) insurance, (46) taxes, (47) interest and commissions and (48) other expenditures. It has been usual in the valuation of public utilities to fix arbitrarily a percentage of the total cost to cover these items. In this instance an attempt has been made to analyze them and reach a result that may be said to have a logical basis.

In 1913 the amounts charged to the first three of these items, including allied subjects in connection with the operation of the railroad, aggregated, in round figures, $290,000. During construction the legal expenses would largely exceed those usual under normal conditions. Assuming that $400,000 would represent the annual cost at the termination of a six-year period, the average annual cost would be $200,000, or a total sum of $1,200,000, equivalent to a percentage of, say, ½ per cent.

The accrued taxes in 1913 amounted to approximately $1,447,205. This included taxes on gross earnings, capital stock, bonds and property. Assuming full taxes of $1,450,000 annually for one-half a period of four years, or, say, $2,900,000, the percentage would be about 1 per cent.

Interest during construction was treated separately. Discount on bonds was ignored, on the theory that pure discount is equivalent to an adjustment of the interest rate to current market conditions. A banker's commission for the sale of securities, however, was included, since payment for the services of those undertaking the sale of stocks and bonds seems to be just as legitimate and necessary as compensation for other services incident to the carrying out of the project. The usual allowance for this item is a percentage of, say, 2 per cent.

In 1913 the cost of salaries and expenses of general officers and clerks on the Lehigh Valley, including incidentals, was more than $550,000. Assuming that this amount will be applicable to an average of one-half a period of six years, the total would be $1,650,000, or, say, ½ per cent on the total cost. In addition to this there would be the further payment due to those who, through their initiative, originality, ability, and assumptions of responsibility of final success, would give life to the enterprise. One per cent would be moderate compensation for services of this kind. In the Rochester-Corning-Elmira Traction Company case the New York Public Service Commission advocated 5 per cent. Therefore the item of other expenditures would aggregate 1½ per cent, and the grand total of items 43-48, exclusive of interest, would be 5 per cent.

### Interest During Construction

It is generally conceded that interest on money during construction is as much an element in arriving at the cost of the reproduction of a railroad, as expenditures for any other purpose in achieving the same result. It has been customary to take the estimated cost, at the adopted rate of interest, for one-half the assumed period of construction. This treatment is on the theory that the expenditures will increase in a constant ratio, or straight line, from nothing at the beginning to the full amount at the end of the constructional period; that money advanced to the company is non-interest bearing until actually disbursed; and that no interest is paid on the interest payments.

The securing of capital for a new untried enterprise is always difficult, and the rate of interest higher than for going concerns. Even in a case like the Western Pacific, whose 5-per cent bonds are guaranteed by the Denver & Rio Grande, the yield at current market prices in 1911 was slightly over 6 per cent. The five-year notes of the Tidewater Company were marketed on a 6 to 7-per cent basis, and the same may be said of other companies of established standing. With no support from a railroad of demonstrated earning power, 6 per cent seemed to be the minimum rate that could properly be applied to the construction period, especially as no provision was elsewhere made for discount on the sale of securities. This rate was adopted in the State valuations of Michigan, Nebraska and Wisconsin, and in determining franchise values in New Jersey.

The time that would elapse between the date of initiation of the project and the date of final completion varies with the locality, character of construction and nature of traffic. Important enterprises frequently take several years for the initial stage, from one to three or more years for actual construction, and a year or more for the third stage of education, adaptation and cultivation of traffic. With the desire to err, if at all, on the side of conservatism, the Lehigh Valley system was studied in detail and the respective stages timed as shown in Table 4.

On equipment it was assumed that deliveries would start one year before the termi-

nation of construction proper, and end one year thereafter, or a total period of two years, during which the average interest charge for one-half the time would be 6 per cent.

### Customary Method of Calculation

By the customary method of taking the adopted rate of interest for one-half the above-mentioned periods of construction, the resultant sum for interest charges during construction was 12.55 per cent. Dividing this amount by three (one-half of the 6-per cent rate), the average period of construction for the entire system was found to be 4.18 years.

An analysis of the Lehigh Valley situation shows that this customary method of calculating interest charges, applied separately to each group having an assumed minimum period of construction, yields in the aggregate a result very much lower than would actually occur in a reproduction of the system, for the following reasons:

Table 6.—Estimated Time in Years Needed to Reproduce the Lehigh Valley

| Item. | Main line | Principal terminals | Sub-main lines | Principal branches | Main branches |
|---|---|---|---|---|---|
| Initiation | 1 | 1 | | | |
| Acquisition of right-of-way | 1 | 1 | 1 | 1 | 1 |
| Construction | 3 | 2 | 2 | 1 | |
| Educational and development period | 1 | 1 | 1 | 1 | 1 |
| Total | 6 | 5 | 4 | 2 | 2 |
| | Per cent | | | | |
| Interest charges based on full 6 per cent rate for half of period | 18 | 15 | 12 | 9 | 6 |

1. The expenditures would not increase in a constant ratio. In the preliminary stage the rate of expenditures would be small. Then there would be a marked rise for two years because of heavy right-of-way payments, followed by a somewhat decreasing rate for a year. Finally the rate would again increase by reason of large payments for equipment. The result in the aggregate is a much larger volume of expenditures in the early stages of the work than appears from the straight-line method, and therefore the interest charges are heavier.

2. Securing of capital on a basis that will assure its delivery exactly as needed for disbursement during the progress of the work is not practicable. Stringency in the money market, or other unforeseen contingencies, make imperative the possession by the company of ample funds to bridge over temporary crises, even when the funds are supplied through banking houses of unquestioned strength. Either the entire amount must be taken at the time of financing, or the capital must be advanced in annual installments. In both cases the unemployed surplus over current needs is loanable at rates materially less than those paid by the company, the effect of which is an addition to the burden of interest charges during construction.

3. Interest charges must be paid from the capital which itself is interest-bearing, and therefore it is not proper that interest on the interest should be omitted from the calculation of this item of cost.

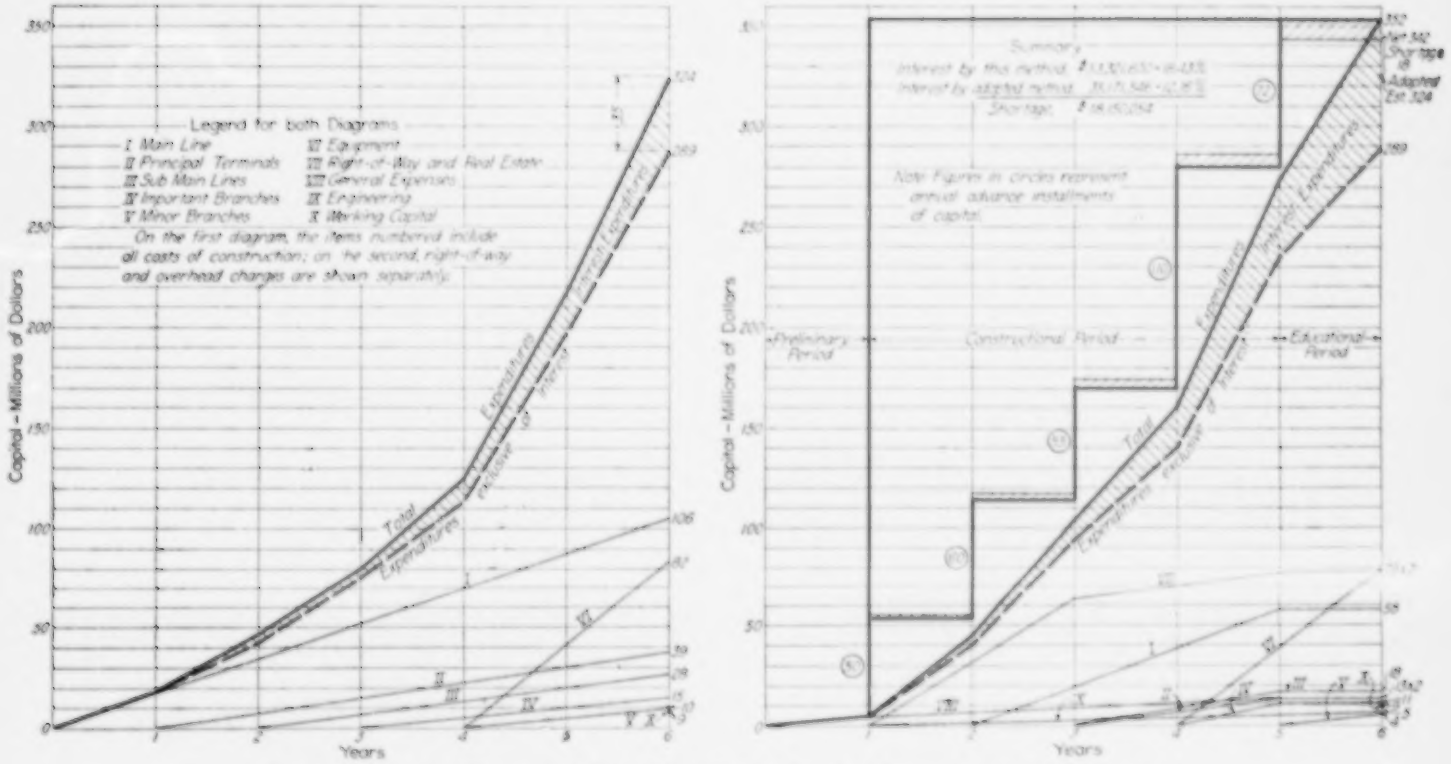
### Explanation of Diagrams

The accompanying diagrams show graphically the difference between the usual method of calculating interest charges, which was adopted in the Lehigh Valley valuation, and the correct method. In preparing them it was necessary to make certain assumptions as to rates of interest and time of construction. The rate of interest taken on the money invested is 6 per cent, on the theory that the enterprise would be financed one-half by 5-per cent bonds and one-half by 7-per cent stock, both bringing par in the market. The rates received on balances placed on "time" loans and "call" loans are taken respectively as 6 and 4 per cent, both figures being high.

The first diagram simply assumes that all money contracted in excess of actual expenditures is either not paid in or is loaned at 6 per cent, thus imposing no burden on the company. The whole time of construction being taken at six years, which includes one year each for the preliminary and development periods, construction of each item—main line, terminals, branches, equipment, etc.—is assumed to begin at such a time as to effect its completion at the end of the sixth year. The heavy dash line is the summation of the expenditures for these items, exclusive of interest, and the heavy solid line adds the interest by the usual method, ignoring interest on interest.

### The Proper Method

In the second diagram account is first taken of the irregularity of expenditures. The heavy dash line sums the actual expenditures as before; the heavy solid curve above it adds the interest, and includes interest on interest, as is proper. The




**Diagrams Showing Wrong and Right Methods for Figuring Interest during Construction**

stepped diagram above this curve indicates deductions that can be made from the total-expenditures curve for interest collected by the company. After the preliminary period it is assumed that at the beginning of each year enough money must be obtained to cover all expenditures for the year, with a margin of safety of from $12,000,000 the first year down to $9,000,000 finally as working capital when the road is completed. The upper line of each rectangle indicates the total amount of money raised to date. All money between these horizontal lines and the total-expenditures curve is "call" money, on which the company will receive 4 per cent. The shaded rectangles indicate this accumulated interest paid back to the company. At the end this amounts to $9,651,400. All contracted money above these rectangles is either not paid in or is placed on "time" loans, in either case imposing no burden on the company.

Summing up, the interest on construction by the usual method is $35,171,546. By the correct method it is $62,973,000 minus $9,651,400 or $53,321,600. Hence the difference or shortage is $18,150,054.

It may be said, however, that interest charges during construction should be credited with net earnings from operation during the development period. In practice this credit would probably be largely negligible because of excessive cost of operation with untrained forces under new and untried conditions; but for the sake of conservatism it may be assumed that at the end of the final period of construction the road would have the same net operating revenue as existed in the fiscal year 1913, viz., $13,935,552, thus making the average for the educational period one-half of this amount, or $6,967,776. Therefore the underestimate or shortage in net interest charges during construction is $11,182,278. The only place in which provision is made for this shortage is in the contingency fund.

### Working Capital

In the prosecution of its business the company has the following funds continuously engaged for unremunerative purposes: (1) Stock on hand, (2) amounts due from others and (3) cash on hand for (a) payments due others and (b) emergencies and fluctuating demands. During the past few years the cash due from others has fluctuated from $2,850,000 to $5,100,000, averaging about $4,000,000. There was due to others varying sums which the company should be in readiness to pay promptly regardless of corresponding sums due from others. Assuming that cash on hand for this purpose should equal 25 per cent of the amount due others, the sum required is $1,000,000. As an excess for emergencies a further fund would seem proper of, say, $1,500,000. Stock on hand for the last twelve years has averaged about $2,500,000, and this amount seems necessary for the normal operation and maintenance of the property. Adding these four items together, the figure of $9,000,000 for working capital and stores is obtained.

This method was adopted with the object of eliminating cash and stores in excess of the normal operating requirements of the company.

# Rules for Evaluating a Railroad Property

Compiled from Directions Issued by William J. Wilgus for the Guidance of His Staff in the Appraisal of the Lehigh Valley

A CRITICISM of the much-discussed report of the American Society of Civil Engineers' valuation committee was that it confined itself to the general governing principles of valuation and ignored the detail problems of gathering and assembling the data. These principles, as well as an analysis of the value of the Lehigh Valley Railroad, were discussed in the Engineering Record of May 16, page 552, in the abstract of the report of William J. Wilgus, consulting engineer, who recently appraised the property. There was also in the report an appendix on rulings, forms, diagrams and tables of quantities—primarily intended for the guidance of his staff. With the tenses changed to some extent, this appendix may be regarded as a general specification for the evaluation of any large railroad. While space will not permit publication of the full text, nor reproduction of more than a few specimen forms, the main points are believed to be covered herein.

All property owned or used by the railroad company for its purposes as a common carrier should be included in the valuation. Property held for purposes other than those of a common carrier should be shown separately.

Quantities should be estimated for the date determined in advance of the valuation. Suitable corrections or adjustments should be made for any changes that may occur between that date and the time of observation or recording of data.

The road should be divided into valuation districts, and these in turn into main line and branches, or into various corporations, as may be decided in each case. Each main line, branch or corporation should be subdivided and numbered so that the data may be later available for estimating the cost of transporting commodities from various originating points to their destinations, and also in verifying values and in tax matters. Moreover, the ascertainment of costs per mile by subdivisions will make possible a close general check on the accuracy of the results.

Forms and tables should be prepared for facilitating and checking office and field work, and for recording results in such manner that the authority in each instance may be easily traced back to the parent source.

All physical property, as nearly as practicable, should be classified in conformity with the classification of expenditures for road and equipment, as prescribed by the Interstate Commerce Commission.

### Construction Districts

In reproducing or duplicating a large railroad system it would not be possible to divide the work into small units, as is usual for minor extensions of an established railroad. The road would be divided into construction districts of sufficient size to attract responsible contractors, who in turn would divide their respective territories among small sub-contractors. Therefore, except in localities where a large amount of work is embraced within comparatively short limits, each district engineer in determining unit prices that are affected by local conditions should divide his territory into sections of considerable length, say 50 miles or more, depending upon geological formations, topography, magnitude of work, availability of materials, accessibility, overhaul, and other conditions that would naturally cause variations in prices and affect contractors in bidding upon the work. This procedure excludes consideration of each particular cut or fill or other detail, and calls for a study of the territory as a whole, in the same manner that would occur in the actual construction of the line.

To insure uniformity and consistency, the district engineers should use the adopted tentative prices, except where local conditions affect the cost of doing the work,

or where the records of the railroad in question show that modifications are required. Departures from the tentative prices will in each case be noted and explained on the proper form.

The tentative prices may be said to consist of two general classes—(a) those that rise and fall with the financial and industrial conditions of the country and, therefore, are based on averages over a period of years, such as cement, brick, and iron and steel products, and (b) those that show a constant increase and, therefore, are based on current quotations, such as ties, piling, lumber and labor.

Whenever the district engineers need special assistance, as on important buildings or mechanical features, the desired information should be furnished from the company's records or by other engineers engaged for the purpose.

### Record of Details

Quantities and prices should be recorded on a form similar to the specimen half-page shown. There should be enough of these pages to cover all of the forty-eight Interstate Commerce Commission primary accounts and all items entering into the physical valuation of the permanent way. These pages should be bound as right-hand pages, and facing them should be blank pages for remarks.

Sufficient data should be shown on the "remark" pages to indicate clearly the bases for calculation of quantities and modifications of tentative prices.

In the condition column the amount of depreciation and appreciation should be indicated in dollars, with the prefixes — and + respectively; and opposite each entry the reasons therefor should be given on the remark page.

Spans, character and quantities of substructures and superstructures of each bridge and important culvert should be noted, preferably in tabular form.

Weights of rail in main line and in sidings and yards should be indicated.

The name and a brief description or sketch, with governing dimensions, should be given of each important structure, including large bridges and viaducts, tunnels, passenger and freight stations, shops, fuel and water stations, etc.

Depth and nature of both visible and concealed ballast should be shown.

Important facilities used for system purposes, like the general repair shops, should be grouped on separate forms of a similar type so that their values may be segregated from facilities devoted to local or divisional purposes.

The number, character, dimensions and contents of several buildings or other structures of the same class may be tabulated opposite the place of entry.

Reference should be made on the form to all underlying sources of information, so that they may be readily located.

Facilities owned by the company and temporarily leased to others should be included in the valuation if they are owned for the purposes of a common carrier, even though not so used at the time of the valuation. Such temporary leases may be considered as having been made indirectly for the benefit of the public or to assist in carrying unremunerative property held pending the time when its use may become necessary for the expanding needs of the company. Leased property, including lands and structures, not owned for the purposes of a common carrier should be shown separately.

Ownership of sidings exterior to the right-of-way, when not ascertainable from the company's records or from the reliable testimony of company employees or others, should be determined by the manner in which the sidings are maintained.

### Depreciation and Appreciation

Depreciation, modified by appreciation of those parts that improve with time, should be based on actual conditions and on suitability for continued use. As a rule, three types of structures will be found: (a) Those good for an indefinite continuing life, provided they are fundamentally sound, such as bridges and buildings; (b) those good for an indefinite continuing life, during the early stages of which there is a gradual diminishment of value, followed for many years by fixed value, such as rails and some kinds of timber structures; and (c) those having a fairly definite life fixed by past experience, such as ties and some types of machinery.

These remarks apply to that feature of depreciation that is usually termed decrepitude. Obsolescence of "road" items, being purely speculative, is in this case not believed to be proper for consideration, except for items like machinery. In the case of equipment and machinery, obsolescence as well as decrepitude should be considered, as past experience has proved that there is a well-defined period of economic life beyond which continued use is wasteful or unproductive.

## Lands

Lands should be divided into three classifications: (a) Right-of-way and station grounds used for roadbed, station grounds and terminals; (b) real estate held for the purposes of the road as a common carrier, other than that actually acquired for roadbed, or station or terminal grounds; and (c) lands held for purposes other than those of a common carrier. The latter should not be included in the common-carrier valuation, but should appear as a separate item.

Each of the three classifications should be valued on three different bases—original cost to date, basic cost as measured by the value of neighboring lands, and reproductive cost, in which provision should be included for the usual excess costs that are known to accompany the purchase or condemnation of railroad lands due to severance and other damages. All three bases of value should embrace the costs of acquisition, such as maps, surveys, legal and condemnation expenses, recording fees, salaries and expenses of right-of-way agents, and damages, as provided for in Interstate Commerce Commission classifications 2 and 3.

In obtaining the existing normal or basic values of real estate along the line of the railroad, as a basis upon which to predicate the cost of reproducing the right-of-way and real estate of the company, a careful record should be made of the names and addresses of the authoritative sources of such information, so that if needed they may be easily located for the purposes of verification.

Wherever waterfront lands, in a reproduction of the system, would naturally be reclaimed or improved by the railroad, the valuation thereof should be taken unimproved and the costs of reclamation and other improvements estimated separately by the district engineer and rendered under their appropriate Interstate Commerce Commission headings. Any appreciation of values that may have resulted by reason of the construction of the railroad facilities, in excess of the cost of improvements, will not be includable in the "cost of reproduction new." In cases, however, where it is evident that the acquisition of the waterfront lands would include therewith reclamation, such as dredging, bulkheading and filling, as, for instance, at places where such improvements antedated the building of the road, the land appraisal should take this into consideration and the engineer's estimate of the cost of the improvements should not include the items so embraced in the land values.

Where there is no record of ownership of right-of-way the width of easement or ownership, other than at crossings of thoroughfares, should be assumed to be 21 ft. for single track, 33 ft. for double track and proportionately wider for a larger number of tracks. The slopes of cuts and fills should be considered as running on to adjoining property holders.

Where the tracks of the company cross thoroughfares or other spaces used in common with others, including streets, highways and navigable streams, either at grade or over or under, one-half the value of the space so occupied should be included in the appraisal.

Buildings or other improvements belonging to the railroad company and located on lands not used directly for railroad purposes, if constructed since the date of the acquisition of the land on which they are located should be included under account 31, "miscellaneous structures," or under "property held for purposes other than those of a common carrier," the former classification to be employed if the structure is on land held for the purposes of a common carrier, even if temporarily leased or used for other purposes. If, however, such building or other improvements were on these lands when acquired their value should be included in the estimates of the right-of-way and real-estate representative. The district engineers and right-of-way and real-estate representative should confer so as to avoid any duplication or omission of such values.

The value of the company's equity in leaseholds, such as dock leases, should be taken at the present cash value of the amount that it is estimated will have been saved through non-ownership at the expiration of the lease. This amount is obtained by taking the difference between the aggregate annual payments that would be payable for the remaining term of the lease, if based on a fair interest return on the present value of the property, and the aggregate of the actual rentals named in the lease for the same period, due regard being had for taxes and assessments.

Experience has shown that separation of earth excavation into various classes is provocative of litigation due to the impossibility of clearly defining the line between them. Therefore the adopted prices for earth should be understood to include ordinary earth, hardpan, earth borrow and

conditions are not so favorable. The age of the banks should also be taken into account, the figures above quoted being the maximum for embankments that have become well seasoned over a period of years. Suitable reductions in cost should be made for the less aged embankments.

Excavations on a new railroad are known to give much trouble from slides and filling up of ditches, entailing constant labor, often with the use of work trains, until the surface of the cuts adapt themselves to conditions, or, in other words, become seasoned. While in the case of embankments it is possible to measure appreciation by the equivalent cost of artificially compacting them, it is not so easy definitely to fix the value of appreciation in excavations; but a close approximation can be made. On a new railroad it may be said that for average material, in, say, a depth of 20 ft., a work train with twenty cars and twenty men, costing $80 daily, will be required about twelve days in the first year for each mile of road in cut, or, say, $1,000 per mile of 20-ft. cut. This sum may be used as a guide in determining what amount per mile should be added for appreciation on exc tions, taking into account, of course, t depth and age and the nature of the terial.

Where slopes for fills and cuts in course of time have become grassed otherwise covered with vegetation that tects the surface, allowance for appr tion should be made in the condition col opposite "sodding."

Masonry in first-class condition and far as can be judged, good for an indefi period should have its depreciation m ured by such expenditures as, for insta pointing, if needed, or sundry repairs, may be necessary to put it in 100-per condition. If the masonry is in shaky dition and in obvious need of entire newal, this should be taken into account, in such instances the depreciation may equal to almost the entire value of structure.

Where steel or iron bridges are in g condition and well suited to the purp for which they are being used, their preciation should be measured by the of whatever little attention or repairs m

| I. C. C. PRIMARY ACCOUNT | QUANTITY | UNIT | SUBJECT | PRICE TENTATIVE | PRICE MODIFIED | AMOUNT | CONDITION | NOTE BOOK NO. | NOTE BOOK PAGE |
|---|---|---|---|---|---|---|---|---|---|
| 1. Engineering | | 5% of all items except Nos. 2 and 3. | | | | | | | |
| 2. R. of Way and Sta. Grounds | | | See Form E | Special | | | | | |
| 3. Real Estate | | | See Form E | Special | | | | | |
| 4. Grading | | Acres | Clearing | 100.00 | | | | | |
| | | 100 S. F. | Grubbing | .04 | | | | | |
| | | C. Y. | *Excav. | | | | | | |
| | | " | " Earth | .25 | | | | | |
| | | " | " Loose Rock | .60 | | | | | |
| | | " | " Solid Rock | Soft 1.00 Med. 1.20 Hard 1.40 | | | | | |
| | | " | " Under Water | 2.00 | | | | | |
| | | " | " Old Masonry | 2.00 | | | | | |
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| | | " | " | | | | | | |
| | | L. F. | Piling W. O. | .40 | | | | | |
| | | " | " Inland | .35 | | | | | |
| | | " | " Y. P. Tidewater | .20 | | | | | |
| | | " | " | | | | | | |

Portion of Detail Form Covering the Forty-eight I. C. C. Accounts

BALLAST

| Track | Kind of Ballast | Depth | Ties per 100 Feet | Ballast c. yds. of Track | From M. P. Plus | To M. P. Plus | Distance Feet | Deduct for Bridges Turnouts etc. | Net Track Ballasted Feet | Ballast per 100' Track cu. yds. | Total Quantity of Ballast cu. yds. | REMARKS |
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Special Form for Recording All Details Pertaining to Ballast

be necessary to put them in 100-per cent condition. For instance, if painting is required, depreciation may be measured by the cost of repainting, which, including cleaning, may be roughly estimated at $1 per ton. On the other hand, if the structure has been allowed to deteriorate so that rust has largely destroyed its usefulness, the cost of replacements should be used in fixing the amount of depreciation.

### Timber Trestles

Timber trestles and coal pockets if maintained in first-class working order may be considered as having a minimum value of 50 per cent, the loss of 50 per cent being spreadable over the ordinary life of the kind of timber of which the structure is composed. For instance, a yellow-pine trestle, having a timber life of the constituent parts of, say, ten years, would be depreciated 5 per cent per annum to a maximum of 50 per cent, beyond which the value would be considered stationary as long as the structure was well maintained and suitable for indefinite continued use. Trestles in a racked or dilapidated condition and obviously not susceptible of indefinite maintenance may be depreciated as much as 75 per cent, 25 per cent of full value being considered the minimum value of a structure still in active use.

At tunnels inquiry should be made as to the nature of the material and the methods followed during original construction, to determine the neat line to which to figure for excavation, and also whether or not to include timbering. In self-supporting hard rock the neat line would presumably be 6 in. beyond the extrados of the masonry lining, with no timbering; in bad rock requiring support during construction, the neat line would be out far enough to permit the placing of a temporary timber lining within which to construct the masonry. Not only should timbering be borne in mind, but also packing between the extrados of the masonry lining and the irregular intrados of tunnel excavation. The hardness of the rock and encountering of water during construction will have a decided influence on the question of cost.

### Ties and Rails

Each engineer should satisfy himself as to the number, dimensions and material of

each class of tie in use. From the storekeeper may be obtained the number supplied in a given territory for a considerable period so as to work out a percentage per mile, checking the information by counting the various kinds of ties per rail length in different locations, or by inquiry through the maintenance department, or otherwise.

Assuming that average annual tie renewals take place as of July 1, and assuming an average untreated tie life of eight years, the percentage of depreciation of all untreated ties as of December 31 would be 50 per cent. It does not seem proper to decrease this ration on the higher-grade lines, where it may be claimed that ties are taken out before their timber life is yet unexpired. For the purpose for which ties are in use on the higher grade lines their life has ended when they are removed. They are then practically worthless for any other purpose, even though their life as timber has not expired.

Rail usually passes through several stages before it is unfit for further use in track. First it is utilized on the more important lines until its condition becomes such as to make it unfit for high-speed passenger trains. Then it is transferred to lines of minor traffic, or to sidings and yards, where it may remain for an indefinite period. It is manifestly improper to attempt to measure depreciation on an arbitrary mortality basis, as in some instances the character of traffic may be such as to wear out the rail in one-half or one-third of the assumed ultimate life, and in other cases the traffic may be so light as to permit the retention of the rail in service for possibly twice the assumed ultimate life. Therefore the depreciation of the rail in each instance must be judged by its actual condition and the kind of traffic that it bears.

Commercially considered, there are three classes of rail—new, relayer and scrap. Between the first two there is beyond question a gradually decreasing range of value from, say, $30 for the new, to $20 for the relayer, a difference of $10, which may be said to be spreadable over a period of ten years—the average time that rail may be said to be fit for the higher classes of service. On this basis the annual depreciation may be taken at $1 per ton, with a maximum total depreciation of $10, subject to such modifications as the engineer may deem proper by reason of local conditions or quality of rail.

Judgment should be used in determining the depreciation of track fastenings, including splices, bolts, spikes, tieplates, etc. In the absence of special reason for doing otherwise the depreciation may be taken at the same rate as the rail with which they are associated, plus 10 per cent. Depreciation on frogs and switches should be determined by local examination, as they wear out much faster than the rail and fastenings with which they are associated.

As a rule, on main lines the vertical depth of ballast should be measured from subgrade at the shoulder just outside of the edge of ballast to the top of tie, but in some instances, especially in yards, it may be difficult correctly to determine the depth. It has been found in many places that cinders or other ballast exist to a depth of 2 ft. or more below the bottom of tie. The depth in each instance should be obtained by digging or careful inquiry, and the amount as it actually exists calculated, not, however, to exceed the maximum depth of 12 in. below the bottom of tie, unless a greater depth is visible above the top of roadbed. If the concealed ballast material extends to a greater depth than 12 in. below the bottom of tie, the yardage for an additional depth, not to exceed 12 in., should be considered in determining appreciation of ballast.

Although provision is made in the track-laying price for the labor of preliminary surfacing in order that the rail may be protected during the construction period, no allowance has been made for the extra material required from the shoulders of the banks, which later must be replaced by construction trains. It may be assumed that 400 cu. yd. per mile are required for this purpose, at an average price of 25 cents per cubic yard, or $100 per mile of single track. This provision may be omitted for the less important industrial and mine branches, where preliminary surfacing for the preservation of rail would not be necessary.

### Seasoning of Ballast

For a considerable period after tracks are first ballasted there is more or less trouble and expense involved in preserving line and surface, particularly during periods of wet and frost. This is due to the working of the ballast into the roadbed, to the filling of interstices from beneath and to the fact that the ties have not become solidly embedded in the ballast. As a consequence of these conditions extra labor is required constantly to readjust the track, and there is an absence of smooth riding of trains that is so essential to fast passenger

traffic and to the [illegible]airs to track and equipment.

As time goes on the track is raised on new ballast so as to maintain it at its original height; and the original ballast is pressed or settled downward into the roadbed where it remains as a firm semi-porous substratum to protect and sustain the overlying newer ballast. This newer ballast is the visible portion that appears above the top of the shoulders and is to be measured and estimated as "ballast." The older or concealed ballast is incorporated in the roadbed, and while it is not measured and estimated as ballast, its value is reflected in the appreciated worth of the part that is measured and estimated.

Structures carrying the tracks of the railroad in question over those of other railroads should be included in this valuation, even though they may be maintained by the other company. This is on the theory that structures on the right-of-way of the company for maintaining the continuity of its tracks and acting as substitutes for original embankments are the property of the company and includable in its valuation. Conversely, structures carrying the tracks of other companies over the railroad in question should be excluded, even though in some instances maintained by the latter company.

At railroad grade crossings the cost of interlocking plants should be divided in the proportions on the statement prepared by the signal engineer. Crossing frogs should be inciuded in the valuation where the obligation of maintaining and renewing them rests with the railroad that is being valued.

At highway and street crossings constructed at the time that the railroad was originally built, the entire expense of the structures and appurtenances, including abutments, superstructure and approaches, should be included in the valuation. If it is obvious that later work, such as paving, was done by the town or municipality at the expense of the public long after the crossing was built, the cost thereof should not be included.

At highway and street crossings built comparatively recently in connection with separation of grades, if the railroad company has no record of the division of expense between the railroad and the public, only that portion of the cost of the structures and appurtenances should be included in the valuation that the railroad is called upon to maintain or that forms an integral part of the roadbed of the company.

W[illegible]e the separation of grades has been effected under the provisions of State laws or by special agreement, and the proportion of cost thereof to the railroad in question is shown on its records, such recorded proportion of cost should be included in the valuation in lieu of the estimated costs above outlined.

As a rule the valuation of buildings should be based on their cubical contents taken from exterior measurements between the water-table and the roof. Where cellars exist their cost over ordinary foundations should be taken into consideration in fixing the price per cubic foot above the water-table. Where buildings are suitable for continued use their depreciation should be measured by the cost of repairs necessary to place them in 100 per cent condition to answer the purpose for which they are in use at the time of the valuation.

## Rolling Stock

Rates of depreciation on rolling stock should rest largely on the character of maintenance. Old locomotives still in use are rarely worth less than 25 per cent of their value new. The length of useful life of steam motive power is generally understood to be in reverse ratio to the boiler pressure. Passenger cars in regular service are frequently from 35 to 40 years old and may be reasonably assumed to be worth

Table 1—Annual Depreciation of Locomotives in Percentages

| Type | Boiler pressures: 200 lb. and more | 150 to 200 lb. | Under 150 lb. |
|---|---|---|---|
| Passenger | 4¼ | 3¾ | 3 |
| Freight | 5 | 4 | 3 |
| Switching | 3½ | 3 | 2¾ |

Table 2—Annual Depreciation of Passenger Cars

| Type | Per cent |
|---|---|
| Milk and horse express | 2½ |
| Fruit express, steel underframes | 2½ |
| Fruit express, wooden underframes | 2¾ |
| All other passenger equipment | 2 |

Table 3—Annual Depreciation of Freight Cars

| Type | Construction: Wood | Steel underframes | Steel |
|---|---|---|---|
| Box | 2 | 2 | 2 |
| Stock | 3¾ | .. | .. |
| Coal and gondola | 3 | 2½ | 2 |
| Flat | 3 | 2½ | .. |
| Refrigerator | 2 | 2 | .. |
| Caboose | 2½ | 2 | .. |

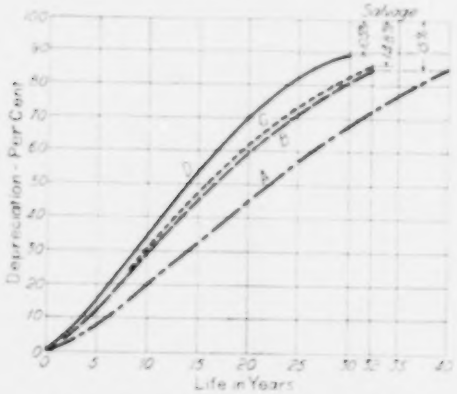
Table 4—Annual Depreciation of Work Equipment

| Type | Per cent |
|---|---|
| Wood cars | 2¼ |
| Steel cars | 1¾ |
| Locomotive cranes, derricks, plows, flangers and workmen's cars | 1½ |

a minimum of 30 or [illegible] value new. Freight cars well maintained may live more than 30 years, and their scrap value approximates 25 per cent. From the foregoing the accompanying annual depreciation tables may be derived, subject to adjustment to meet the different conditions encountered.

### Floating Equipment

Floating equipment of roads connecting the Great Lakes and tidewater may be divided into the following types: (a) Steel steam vessels on the Great Lakes, (b) steel steam vessels for tidewater service, (c) steel barges, car floats, etc., for tidewater service and (d) wood tugs, barges and miscellaneous, for tidewater service.




**Depreciation of Marine Equipment**

A—Steel steam vessels on Great Lakes
B—Steel steam vessels on tidewater
C—Steel barges, floats, etc., on tidewater
D—Wood tugs, barges, etc., on tidewater

[illegible] are proper, as shown by the diagram, all on the basis of regular annual expenditures for proper upkeep, but not embracing extraordinary expenditures for new boilers, new houses or new equipment like electric-light plants or steam steering gear.

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[Among the twenty-five forms accompanying the report and used by Mr. Wilgus on the Lehigh Valley work, those presented are selected as typical. One of these forms, as the specimen half-page suggests, brings together all elements of the permanent way according to the Interstate Commerce Commission classification, but does not include equipment. There are seventeen pages of the type shown—right-hand pages, with the opposite left-hand pages reserved for remarks. There are also several pages of cost data, and an index, the form containing in all forty-five pages.

With the report are also forty-eight sheets of diagrams and tables of quantities for railroad valuations, to facilitate calculations of earthwork, masonry, track material, pipes, etc. These are derived in part from Lehigh Valley standards and in part from other sources, and are prefaced by the statement that "where necessary, modified tables or diagrams should be prepared to suit the practice of the railroad that is being valued; and in instances where a structure as built does not accord with the practice upon which the diagram or table applying thereto is predicated, the quantities should be obtained by calculation from field measurements or from the company's records."—Editor.]

## L. V. R. R. EXHIBIT NO. 37.

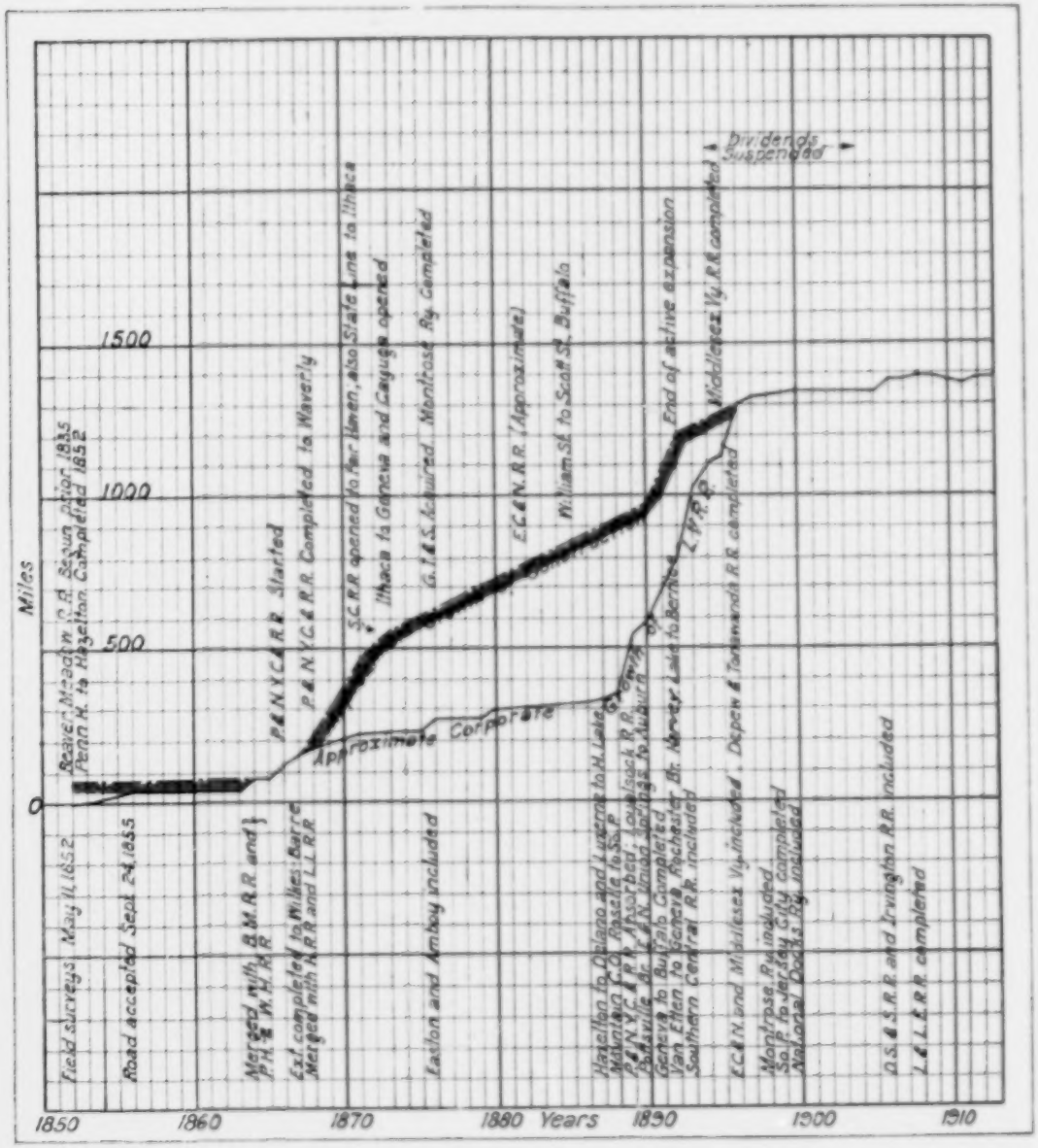



DIAGRAM 1.—GROWTH OF MILEAGE.

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# L. V. R. R. EXHIBIT NO. 38.

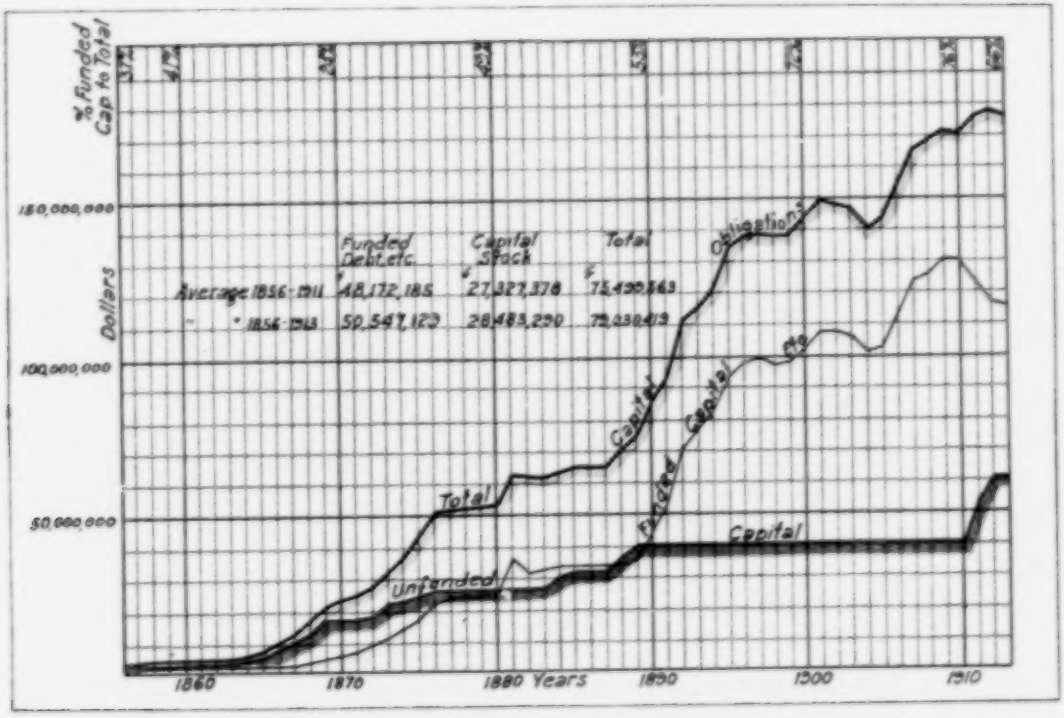



DIAGRAM 2.—CAPITAL OBLIGATIONS.

## L. V. R. R. EXHIBIT NO. 39.

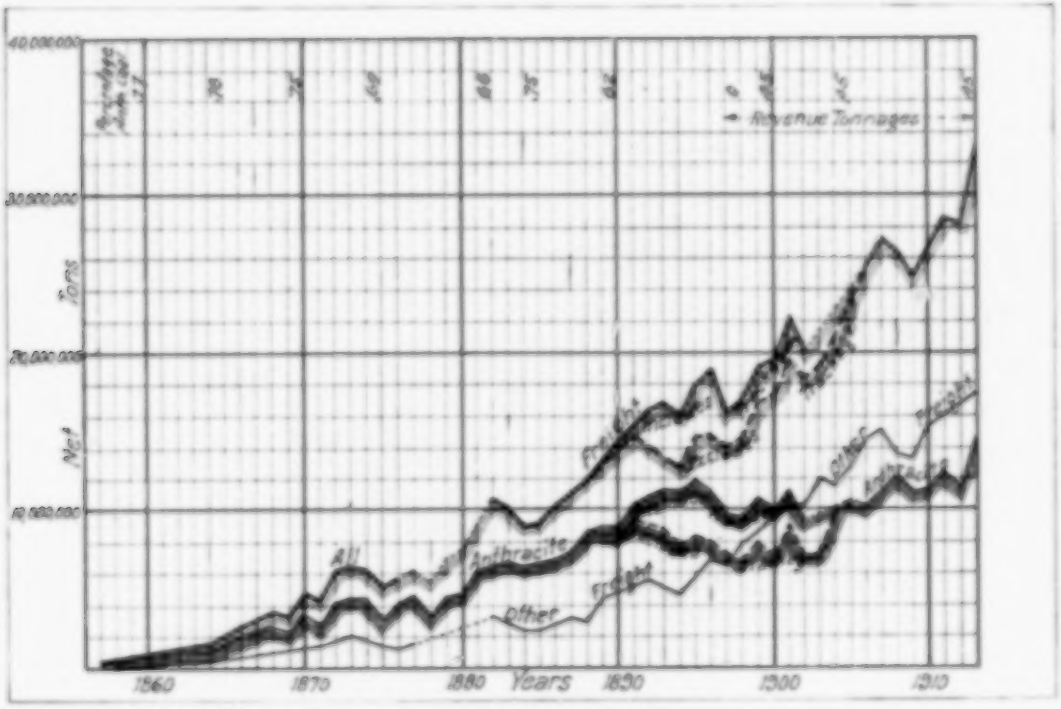



DIAGRAM 3.—TONNAGE.

## L. V. R. R. EXHIBIT NO. 40.

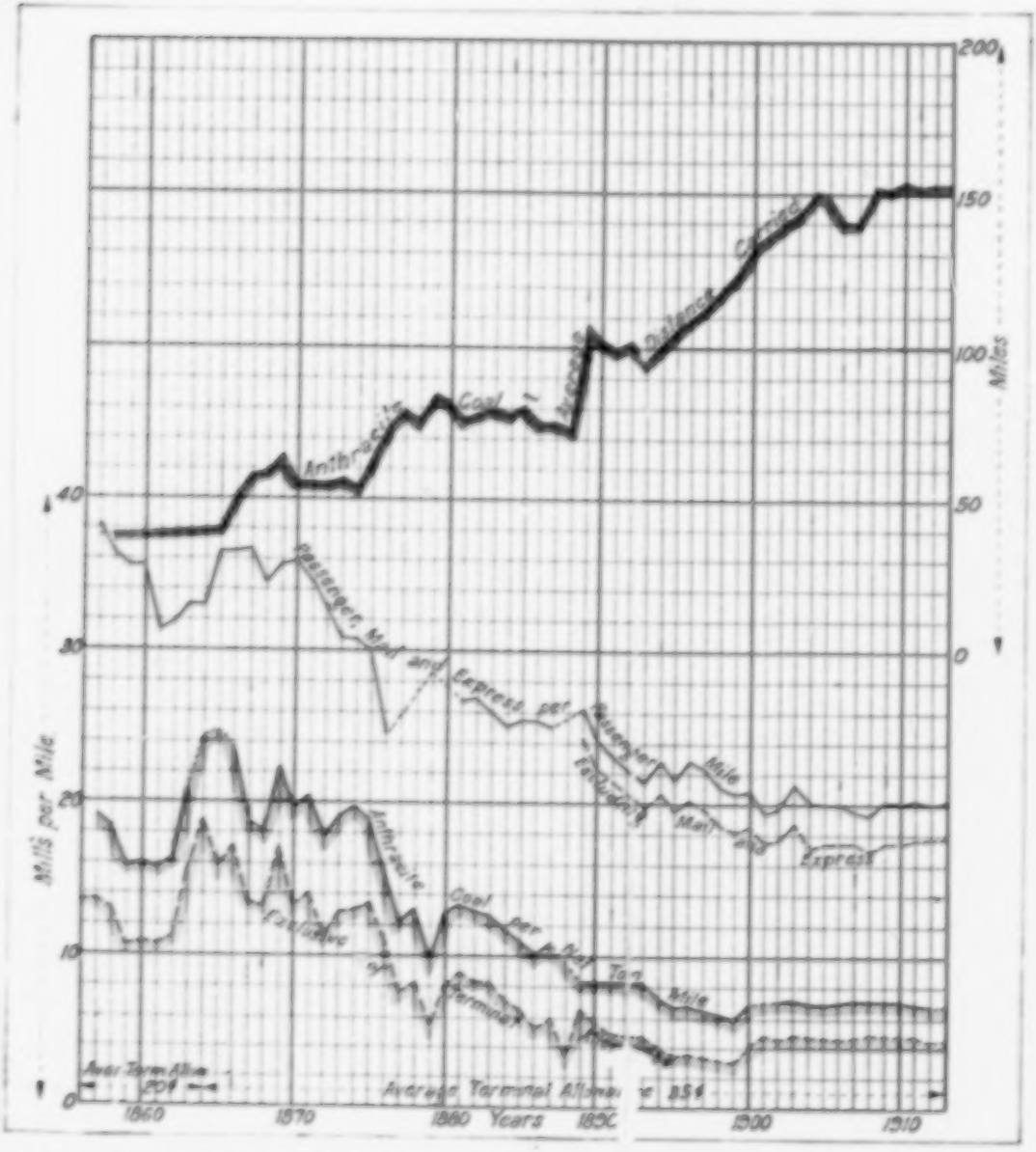



DIAGRAM 4.—TONNAGES AND AVERAGE REVENUE PER MILE.

EXHIBIT NO. 41

# Lehigh Valley Railroad System

## Financial Results

## 1857 - 1913

| Year | Operating Expenses and Taxes | Additions and Betterments | Fixed Charges and Rentals | Dividends | Reserves and Surplus | Total Income |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| 1857..... | 181,392. | ..... | 111,128. | 107,670. | 40,997. | 441,187. |
| 8..... | 201,434. | ..... | 101,239. | 112,138. | 27,234. | 442,045. |
| 9..... | 281,029. | ..... | 93,278. | 117,981. | 33,579. | 525,867. |
| 1860..... | 344,369. | ..... | 91,480. | 239,658. | 4,402. | d 679,909. |
| 1..... | 327,838. | ..... | 89,690. | 262,154. | 191. | d 679,491. |
| 2..... | 416,086. | ..... | 87,900. | 183,780. | 168,288. | 856,054. |
| 3..... | 598,699. | ..... | 88,620. | 229,725. | 453,031. | 1,370,075. |
| 4..... | 1,298,625. | ..... | 88,620. | 2,132,821. | 1,123,658. | d 2,396,408. |
| 5..... | 2,655,912. | ..... | 95,573. | 663,463. | 176,611. | d 3,238,337. |
| 6..... | 1,913,570. | ..... | 92,096. | 1,481,050. | 224,859. | d 3,711,575. |
| 7..... | 2,312,209. | ..... | 123,017. | 1,073,140. | 132,770. | 3,641,136. |
| 8..... | 2,666,294. | ..... | 213,057. | 1,419,324. | 166,727. | 4,465,402. |
| 9..... | 2,986,050. | ..... | 311,542. | 1,692,896. | 208,951. | 5,199,439. |
| 1870..... | 3,782,407. | ..... | 362,609. | 1,797,959. | 264,299. | 6,207,274. |
| 1..... | 3,627,030. | ..... | 515,413. | 1,815,900. | 55,961. | 5,902,382. |
| 2..... | 4,034,687. | ..... | 643,466. | 1,949,561. | 192,799. | 6,434,915. |
| 3..... | 4,049,860. | ..... | 743,771. | 2,269,579. | 361,686. | 7,424,896. |
| 4..... | 3,636,418. | ..... | 936,235. | 2,386,395. | 377,919. | 7,336,967. |
| 5..... | 3,558,481. | ..... | 1,229,640. | 2,623,001. | 93,054. | 7,318,068. |
| 6..... | 4,007,750. | ..... | [illegible] | 2,444,455. | [illegible] | [illegible] |
| 7..... | 3,966,674. | ..... | 1,569,898. | 1,502,357. | 61,290. | 7,100,219. |
| 8..... | 3,440,059. | ..... | 1,574,711. | 1,095,522. | 75,729. | 6,186,021. |
| 9..... | 3,822,209. | ..... | 1,599,268. | 1,095,524. | 23,363. | 6,540,364. |
| 1880..... | 5,721,755. | ..... | 1,644,007. | 1,108,758. | 126,419. | 8,600,939. |
| 1..... | 6,490,824. | ..... | 2,268,313. | 1,522,954. | 110,034. | 10,392,125. |
| 2..... | 6,763,516. | ..... | 2,019,734. | 2,350,517. | 105,546. | 11,239,313. |
| 3..... | 6,945,521. | ..... | 2,031,675. | 2,210,378. | 122,599. | 11,310,173. |
| 4..... | 5,719,428. | ..... | 2,057,208. | 2,372,242. | 37,474. | 10,186,352. |
| 5..... | 5,539,383. | ..... | 2,059,542. | 1,660,235. | 30,103. | 9,289,263. |
| 6..... | 5,975,820. | ..... | 2,048,202. | 1,331,531. | 40,250. | 9,395,803. |
| 7..... | 7,161,143. | ..... | 2,041,172. | 1,584,081. | 525,472. | 11,311,868. |
| 8..... | 8,096,109. | ..... | 2,081,285. | 1,890,876. | 285,470. | 12,353,740. |
| 9..... | 12,365,152. | ..... | 2,168,571. | 2,018,202. | 123,039. | 16,674,964. |
| 1890..... | 12,646,030. | ..... | 2,651,120. | 2,027,370. | 107,487. | 17,432,007. |
| 1..... | 13,799,420. | ..... | 2,817,240. | 2,027,370. | 266,231. | 18,910,261. |
| 2..... | 13,513,758. | ..... | 3,883,025. | 2,128,218. | 385,260. | e 19,910,261. |
| 3..... | 13,227,737. | ..... | 4,158,410. | 1,624,022. | 36,159. | 18,974,010. |
| 4..... | 13,944,089. | ..... | 4,486,840. | ..... | 63,281. | 18,366,648. |
| 5..... | 14,612,438. | ..... | 5,061,953. | ..... | 119,022. | 19,555,369. |
| 6..... | 15,257,024. | ..... | 5,223,221. | ..... | 286,974. | 20,193,271. |
| 7..... | ‡21,458,546. | ..... | 5,953,723. | ..... | 7,188,229. | b 20,224,040. |
| 8..... | 15,038,643. | ..... | 5,079,652. | ..... | 418,819. | b 20,537,114. |
| 9..... | 17,699,142. | ..... | 5,017,252. | ..... | 616,428. | b 22,099,966. |
| 1900..... | 20,366,824. | ..... | 5,325,148. | ..... | 1,947,876. | b 23,744,096. |
| 1..... | 21,210,899. | ..... | 5,613,956. | ..... | 702,883. | b 27,527,738. |
| 2.(7 mos.) | 12,440,467 | ..... | 3,280,000. | ..... | 2,049,531. | b 13,670,936. |
| 3..... | 19,770,259 | 1,266,182. | 5,111,399. | ..... | 4,992,828. | ¶ 31,140,668. |
| 4..... | 19,582,781 | 1,465,290. | 5,083,584. | ..... | 4,294,115. | 30,425,770. |
| 5..... | 21,151,042. | 1,411,551. | 5,217,372. | 1,225,989. | 2,742,528. | 31,748,482. |
| 6..... | 21,017,005. | a 2,570,227. | 5,673,893. | 1,624,022. | 2,723,591. | 33,608,738. |
| 7..... | †24,309,250 | 2,068,590. | 5,865,976. | 2,144,044. | 2,628,369. | 37,016,229. |
| 8..... | 24,277,633. | 1,775,264. | 6,061,601. | 2,430,718. | 2,507,621. | 37,052,837. |
| 9..... | 22,042,173. | 582,643. | 6,106,436. | 2,430,718. | 2,695,347. | 33,857,317. |
| 1910..... | 23,415,744. | 843,877. | 6,116,582. | 2,430,718. | 8,007,528. | 40,814,449. |
| 11..... | 26,107,134. | 980,549. | 5,592,372. | 4,245,759. | 3,110,869. | c 40,036,683. |
| 12..... | 27,651,182. | 340,944. | 5,383,105. | 15,152,000. | 6,885,944. | c 41,641,287. |
| 13..... | 32,017,933. | ..... | 5,366,655. | 6,060,800. | 1,621,529. | c 45,066,917. |
| | 591,444,886. | *13,305,117. | 152,780,333. | 92,297,575. | 20,617,001. | 870,444,912. |

* $4,749,551. of this charged off to Capital Account and included in Income in 1910, 1911 and 1912.
† Includes $1,250,000. Reserve Fund for condemned equipment.
‡ $5,347,795. Deprec. Equipment.
¶ Includes $3,500,000. Incr. in book value of equipment.
a Includes $1,000,000. Reserve Fund for construction, etc.
b Excludes interest on guaranteed securities held by L. V. R. R.:
(1897—$503,072.) (1898—$635,572.) (1899—$634,322.)
(1900—$632,922.) (1901—$632,922.) (1902—$357,000.±)
c Includes in expenses, depreciation of Coxe Bros. & Co. stock
(1911—$1,000,000.) (1912—$1,000,000.) (1913—$980,362.)
d Dividend shown is that given in answer to Question 4. I. C. C. Docket, No. 4914.
e Estimated; $1,000,000, over 1891 R. 1892.
Red=Deficits.

# L. V .R. R. EXHIBIT NO. 42.

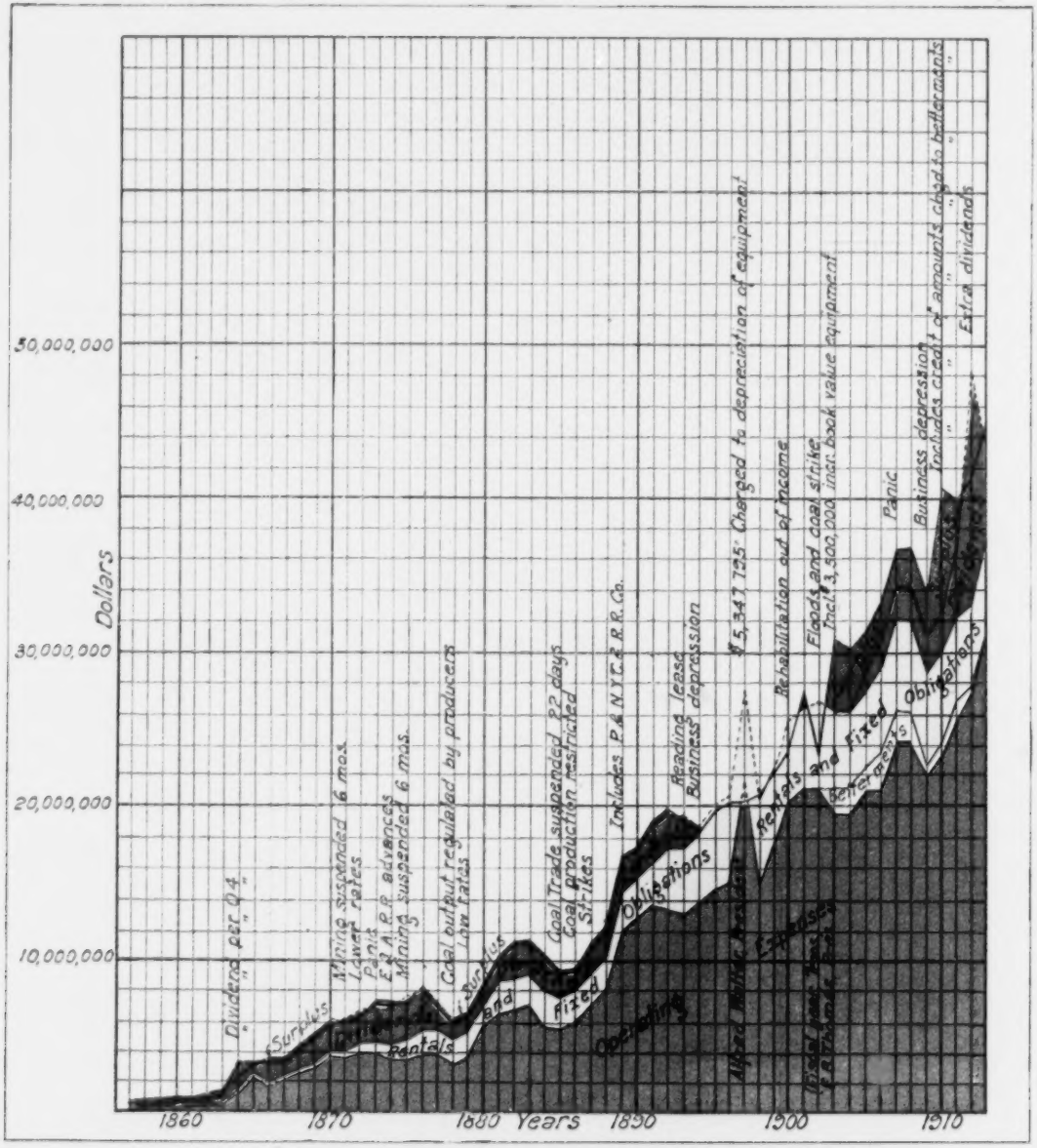



Diagram 5.—Financial Results.

## L. V. R. R. EXHIBIT NO. 45.

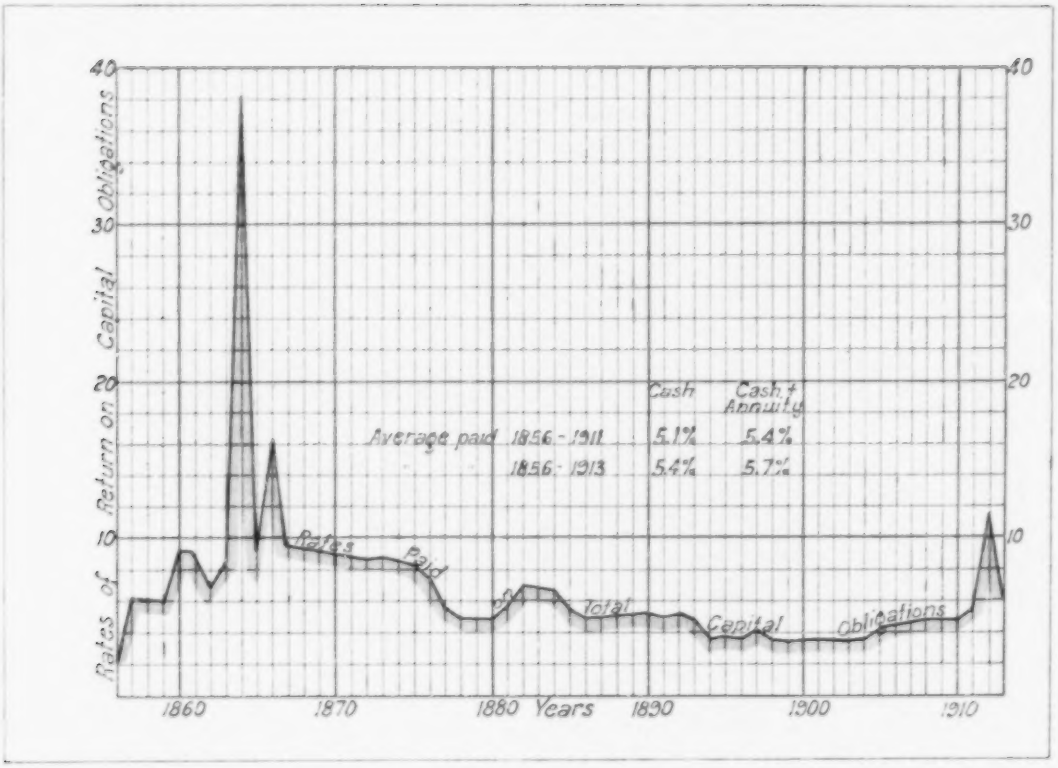



Diagram 7.—Rates of Return on Total Capital Obligations.

# Lehigh Valley Railroad System

## Comparison of Actual and Minimum Fair Returns
## 1856 to 1913, Inclusive

| Fiscal Year Ending | 10<br>Average Capital Obligations for Year (From Col. 7 Ex. A) | 11<br>Return from All Sources Cash (Col. 8 Ex. A) *Annuity | 12<br>Actual Rate of Return All Sources | 13<br>Assumed Minimum Fair Rate of Return | 14<br>Min. Fair Return Based on Min. Fair Rate | †15<br>Excess of Cash Return (Col. 8 Ex. A) Over Min. Fair Return (Col. 14) | ‡16<br>Excess of Return from all Sources (Col. 11) over Minimum Fair Return (Col. 14) |
|---|---|---|---|---|---|---|---|
| | $ | $ | % | % | $ | $ | $ |
| Nov. 30, 1856 | 2,817,150. | 317,592. | 11.3 | 10 | 281,715 | 219,705. | 35,877. |
| 7 | 3,417,185. | 474,380. | 13.9 | " | 341,719. | 122,921. | 132,661. |
| 8 | 3,443,359. | 468,959. | 13.6 | " | 344,336. | 130,959. | 124,623. |
| 9 | 3,465,9 9. | 466,841. | 13.5 | " | 346,593. | 135,334. | 120,248. |
| 1860 | 3,596,600. | 586,720. | 16.3 | " | 359,660. | 28,522. | 227,060. |
| Total 5 yrs | 16,740,223. | 2,314,492. | 13.8 | " | 1,674,023. | 637,441 | 640,469. |
| Average '56-'60 | 3,348,044. | 462,898. | 13.8 | 10 | 334,804. | 127,488. | 128,094. |
| 1861 | 3,773,750. | 607,426. | 16.1 | 8 | 301,900. | 49,944. | 305,526. |
| 2 | 3,762,250. | 527,262. | 14.0 | " | 300,980. | 29,300. | 226,282. |
| 3 | 3,774,250. | 573,927. | 15.2 | " | 301,940. | 16,405. | 271,987. |
| 4 | 5,833,610. | 2,477,023. | 42.5 | " | 466,689. | 1,754,752. | 2,010,334. |
| 5 | 8,198,557. | 1,014,618. | 12.4 | " | 655,885. | 103,151. | 358,733. |
| 6 | 9,698,303. | 1,828,728. | 18.9 | " | 775,864. | 797,282. | 1,052,864. |
| 7 | 12,628,361. | 1,451,739. | 11.5 | " | 1,010,269. | 185,888. | 441,470. |
| 8 | 17,430,266. | 1,887,963. | 10.8 | " | 1,394,421. | 237,960. | 493,542. |
| 9 | 21,811,118. | 2,260,020. | 10.4 | " | 1,744,889. | 259,549. | 515,131. |
| 1870 | 23,716,891. | 2,416,150. | 10.2 | " | 1,897,351. | 263,217. | 518,799. |
| Total 10 yrs | 110,627,356. | 15,044,856. | 13.6 | " | 8,850,188. | 3,638,848. | 6,194,668. |
| Average '61-'70 | 11,062,736. | 1,504,486. | 13.6 | 8 | 885,019. | 363,884. | 619,467. |
| 1871 | 26,092,415. | 2,586,895. | 9.9 | 7 | 1,826,469. | 504,844. | 760,426. |
| 2 | 29,303,181. | 2,848,609. | 9.7 | " | 2,051,223. | 541,804. | 797,386. |
| 3 | 33,869,026. | 3,268,932. | 9.7 | " | 2,370,832. | 642,518. | 898,100. |
| 4 | 38,161,579. | 3,578,212. | 9.4 | " | 2,671,311. | 651,319. | 906,901. |
| 5 | 45,724,008. | 4,108,223. | 9.0 | " | 3,200,681. | 651,960. | 907,542. |
| 6 | 50,548,213. | 4,168,895. | 8.2 | " | 3,538,375. | 374,938. | 630,520. |
| 7 | 52,020,366. | 3,327,837. | 6.4 | " | 3,641,426. | 569,171. | 313,589. |
| 8 | 52,289,679. | 2,925,815. | 5.6 | " | 3,660,278. | 990,045. | 734,463. |
| 9 | 52,818,451. | 2,950,374. | 5.6 | " | 3,697,292. | 1,002,500. | 746,918. |
| 1880 | 53,580,371. | 3,008,347. | 5.6 | " | 3,750,626. | 997,861. | 742,279. |
| Total 10 yrs | 434,407,289. | 32,772,139. | 7.5 | " | 30,408,513. | 192,194. | 2,363,626. |
| Average '71-'80 | 43,440,729. | 3,277,214. | 7.5 | 7 | 3,040,851. | 19,219. | 236,363. |
| 1881 | 64,825,081. | 4,046,849. | 6.2 | 7 | 4,537,756. | 746,489. | 490,907. |
| 2 | 60,682,090. | 4,625,833. | 7.6 | " | 4,247,746. | 122,505. | 378,087. |
| 3 | 60,861,085. | 4,497,635. | 7.4 | " | 4,261,676. | 19,623. | 235,959. |
| 4 | 64,543,891. | 4,685,032. | 7.3 | " | 4,518,072. | 88,622. | 166,960. |
| 5 | 66,841,460. | 3,975,359. | 5.9 | " | 4,678,902. | 959,125. | 703,543. |
| 6 | 66,772,458. | 3,635,315. | 5.4 | " | 4,674,072. | 1,294,339. | 1,038,757. |
| 7 | 66,763,241. | 3,880,835. | 5.8 | " | 4,673,427. | 1,048,174. | 792,592. |
| 8 | 71,945,386. | 4,227,743. | 5.9 | " | 5,036,177. | 1,064,016. | 808,434. |
| 9 | 76,293,237. | 4,442,355. | 5.8 | " | 5,340,527. | 1,153,754. | 898,172. |
| 1890 | 85,351,643. | 4,934,072. | 5.8 | " | 5,974,615. | 1,296,125. | 1,040,543. |
| Total 10 yrs | 684,899,572. | 42,951,028. | 6.3 | " | 47,942,970. | 7,547,762. | 4,991,942. |
| Average '81-'90 | 68,489,957. | 4,295,103. | 6.3 | 7 | 4,794,297. | 754,776. | 499,194. |
| 1891 | 93,408,643. | 5,100,192. | 5.5 | 6 | 5,604,519. | 759,909. | 504,327. |
| 2 | 111,931,310. | 6,266,825. | 5.6 | " | 6,715,879. | 704,636. | 449,054. |
| 3 | 117,572,310. | 6,038,014. | 5.1 | " | 7,054,339. | 1,271,907. | 1,016,325. |
| 4 | 123,250,100. | 4,741,422. | 3.8 | " | 7,395,006. | 2,909,166. | 2,653,584. |
| 5 | 133,818,227. | 5,317,535. | 4.0 | " | 8,029,094. | 2,967,141. | 2,711,559. |
| 6 | 138,440,217. | 5,478,803. | 4.0 | " | 8,306,413. | 3,083,192. | 2,827,610. |
| 7 | 139,470,900. | 6,209,305. | 4.5 | " | 8,368,254. | 2,414,531. | 2,158,949. |
| 8 | 137,675,400. | 5,355,234. | 3.9 | " | 8,260,524. | 3,180,872. | 2,925,290. |
| 9 | 138,462,400. | 5,272,834. | 3.8 | " | 8,307,744. | 3,290,492. | 3,034,910. |
| 1900 | 142,769,900. | 5,580,730. | 3.9 | " | 8,566,194. | 3,241,046. | 2,985,464. |
| Total 10 years | 1,276,799,407. | 55,340,894. | 4.3 | " | 76,607,966. | 23,822,892. | 21,267,072. |
| Average '91-'00 | 127,679,940. | 5,534,089. | 4.3 | 6 | 7,660,797. | 2,382,290. | 2,126,708. |
| 1901 | 149,287,900. | 5,869,538. | 3.9 | 6 | 8,957,274. | 3,343,318. | 3,087,736. |
| June 30, 2 | 88,509,109. | 3,429,090. | 3.9 | " | 5,310,546. | 2,030,546. | 1,881,456. |
| (7 months) 3 | 146,715,900. | 5,366,981. | 3.7 | " | 8,802,954. | 3,691,555. | 3,435,973. |
| 4 | 140,821,900. | 5,339,166. | 3.8 | " | 8,449,314. | 3,365,730. | 3,110,148. |
| 5 | 142,937,400. | 6,698,943. | 4.7 | " | 8,576,244. | 2,132,882. | 1,877,301. |
| 6 | 154,865,400. | 7,553,497. | 4.9 | " | 9,291,924. | 1,994,009. | 1,738,427. |
| 7 | 164,712,900. | 8,265,602. | 5.0 | " | 9,882,774. | 1,872,754. | 1,617,172. |
| 8 | 167,870,400. | 8,747,901. | 5.2 | " | 10,072,224. | 1,579,905. | 1,324,323. |
| 9 | 170,733,100. | 8,792,736. | 5.1 | " | 10,243,986. | 1,706,832. | 1,451,250. |
| 1910 | 170,152,250. | 8,802,882. | 5.2 | " | 10,209,135. | 1,661,835. | 1,406,253. |

## L. V. R. R. EXHIBIT NO. 47.

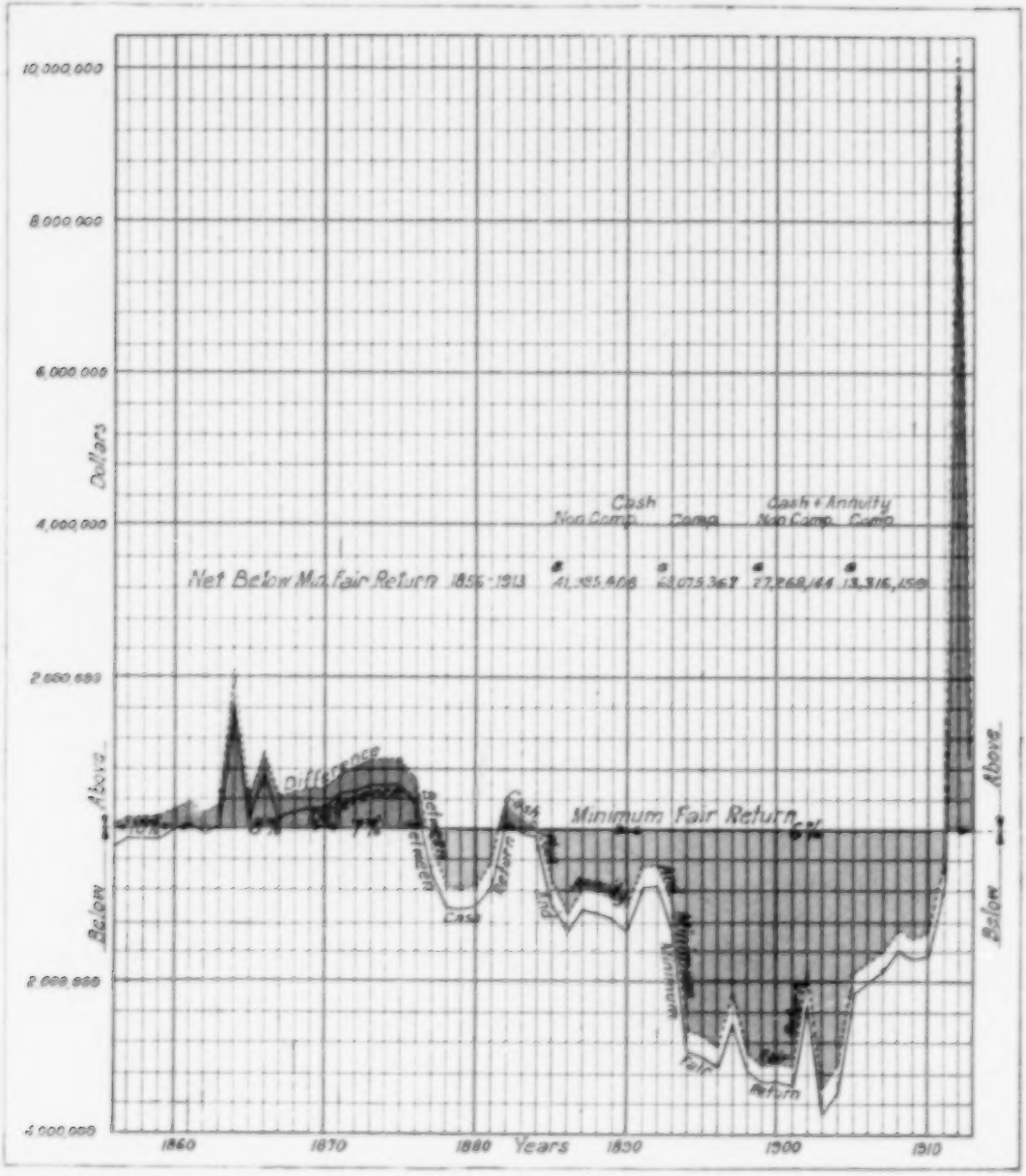



DIAGRAM S.—CAPITAL OBLIGATIONS AND RETURN ABOVE AND BELOW MINIMUM FAIR PERCENTAGE.

**L. V. R. R. EXHIBIT NO. 48.**

[redacted]

# Lehigh Valley Railroad System

## Consolidated General Balance Sheet, Average Fiscal Year 1913

## Based on Appraisal of Road and Equipment

| Assets. | | |
|---|---|---|
| Road and Equipment, including R. R. portion of National Storage Company: | | |
| Val. of Jan. 1, 1912..... | $301,921,986. | |
| " " Jan. 1, 1914..... | 315,478,300. | |
| Average ..... | | $308,700,103. |
| Materials and supplies..... | | 3,200,244. |
| Current Assets..... | | 18,206,146. |
| Deferred Debit Accounts..... | | 712,497. |
| Investments in Securities of, and Advances to, Companies Outside of the Transportation System..... | $28,410,553. | |
| Less Portion of Fair Land Realty Co. Property included in the Appraisal of Road.... | 95,505. | |
| | | 28,315,048. |
| Unextinguished Discount on Bonds..... | | 2,257,519. |
| | | $362,691,557. |

| Liabilities. | | |
|---|---|---|
| Capital Stock: | | |
| Common—L. V. R. R..... | $60,501,700. | |
| L. & N. Y. not held by L. V. R. R..... | 411,700. | $60,913,400. |
| Preferred—L. V. R. R..... | $106,300. | |
| L. & N. Y. not held by L. V. R. R. (Av.)..... | 1,131,106. | 1,237,406. |
| | | $62,150,806. |
| Mortgage, Bonded and Secured Debt..... | | 115,914,669. |
| Current Liabilities..... | | 9,703,854. |
| Deferred Credit Accounts..... | | 230,860. |
| Accrued Net Depreciation, Road and Equipment: | | |
| Jan. 1, 1912 (Incl. R. R. Portion Nat. Stor. Co.)..... | $24,858,708. | |
| Jan. 1, 1914 (Incl. R. R. Portion Nat. Stor. Co.)..... | 26,688,759. | |
| Average ..... | | 25,773,733. |
| Surplus (Accumulation of over 57 yrs). | | 148,317,635. |
| | | $362,091,557. |

L. V. R. R. EXHIBIT NO. 40.

[redacted]

# Lehigh Valley Railroad System

## Investments in Bonds and Stocks of, and Advances to, Companies Outside of the Transportation System.

### Average for Fiscal Year 1913

| | *Par Value.* | *Book Value.* |
|---|---|---|
| BONDS: | | |
| Lehigh Valley Coal Company | $7,500,000. | $7,500,000. |
| Lehigh & Hudson River Railway Company | 34,000. | 34,000. |
| Wyoming Valley Water Supply Company | 1,119,500. | 1,119,500. |
| Matheson Automobile Company | 100. | 100. |
| Morris Canal & Banking Company | 500,000. | 500,000. |
| Total | | $9,153,600. |
| STOCKS: | | |
| Buffalo Creek Railroad Company | $125,000. | $125,000. |
| Mutual Terminal Company of Buffalo | 15,000. | 15,000. |
| Morris Canal & Banking Co.—Preferred | 1,139,000. | 1,921,451. |
| Consolidated | 991,300. | 652,542. |
| Scrip | 47,238. | 47,238. |
| Lehigh Valley Coal Company | 1,965,000. | 1,422,000. |
| N. Y. & Middle Coal Field R. R. Coal Co. | 1,216,325. | 546,851. |
| Coxe Brothers & Company, Incorporated | 2,910,150. | 11,940,000. |
| Highland Coal Company | 120,000. | 117,000. |
| Lehigh & Hudson River Railway Company | 163,100. | 123,956. |
| Packer Coal Company | 3,800. | 3,800. |
| Temple Iron Company | 570,900. | 570,900. |
| National Storage Company | 2,400,000. | 1,068,416. |
| Northampton Portland Cement Company | 11,819. | 11,819. |
| Philadelphia Grain Elevator Company | 205,000. | 2. |
| Philadelphia Belt Line Railway Company | .... | 100. |
| Philadelphia Bourse—Preferred | 575. | 1. |
| Philadelphia Bourse—Common | 1,500. | 1. |
| Philadelphia Harbor Transfer | 20,000. | 8,000. |
| Weatherly Water Company | 8,000. | 8,000. |
| Wyoming Water Supply Company | 100,000. | 100,000. |
| Matheson Automobile Company | .... | 200. |
| Fair Land Realty Company | 2,500. | 2,500. |
| Memberships in Exchanges, Boards of Trade, etc. | .... | 1,442. |
| Total | | $18,686,314. |
| ADVANCES: | | |
| Wyoming Water Supply Company | | $40. |
| Buffalo Creek Railroad Company | | 33,048. |
| Mutual Terminal Company of Buffalo | | 183,518. |
| Morris Canal & Banking Company | | 212,033. |
| Fair Land Realty Company | | 150,000. |
| Total | | $570,639. |
| TOTAL | | $28,410,553. |

**L. V. R. R. EXHIBIT NO. 50.**

[redacted]

# Lehigh Valley Railroad System

## Miscellaneous Data

| | | |
|---|---|---|
| Return on Outside Investments, Fiscal Year 1913: | | |
| Book Value | | $28,009,737. |
| Income | | 1,178,544. |
| Rate of Return | | 4.2% |
| Comparison of Capital Obligations and Railroad Investment, 1894-1913, Inclusive: | | |
| Average Capital Obligations for 19-7/12 years (Based on W. J. W. Exhibit A) | | $152,233,953. |
| Disbursements to Security Holders | | 7,371,804. |
| Rate of Return | | 4.84% |
| Average Capital Obligations for 19-7/12 years (W. J. W.) | | $152,233,953. |
| Av. Income—Disbursed (W. J. W.) | $7,371,804. | |
| Undisbursed | 1,493,556. | |
| Total (H. & S.) | | $8,865,360. |
| Rate of Return | | 5.82% |
| Average Book Cost for 19-7/12 years (H. & S. Report 3-16-1914) | | $148,041,899. |
| Av. Income—Disbursed | $7,371,804. | |
| Undisbursed | 1,493,556. | |
| Rate of Return | | $8,865,360. 6% |

# L. V. R. R. EXHIBIT NO. 52.

LEHIGH VALLEY RAILROAD COMPANY

STATEMENT SHOWING TOTAL PRODUCTION AND SHIPMENT OF EACH ANTHRACITE COLLIERY FOR YEAR ENDING JUNE 30, 1913; TONNAGE PURCHASED BY THE LEHIGH VALLEY COAL SALES CO.; TONNAGE USED AT COLLIERY; TONNAGE SOLD TO PUBLIC AT BREAKER, AND TONNAGE SHIPPED VIA L. V. R. R. AND OTHER LINES AS ORIGINATING CARRIERS—(TONS OF 2240 LBS.)

| Region | Colliery | Operator | To Whom Sold: At Mines | To Whom Sold: Elsewhere | Total Production Tons (2240 lbs.) Year *End'g June 30, 1913 | Tonnage Purchased by L. V. Coal * Sales Co. | Tonnage used at* Colliery | Tonnage Sold at Breaker to Public Team Deliv. * | Tonnage Shipped via L. V. R. R. as Originating Carrier * | Tonnage Shipped via Other Lines as Originating Carrier: *Tonnage | Tonnage Shipped via Other Lines as Originating Carrier: Railroad | Total Shipment of Each Colliery.**: Total Tonnage | Total Shipment of Each Colliery.**: Supply Coal | Total Shipment of Each Colliery.**: Revenue Tons |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LEHIGH REGION | Beaver Brook | C. M. Dodson & Co. | | Weston Dodson & Co. | 392925.07 | None | 31000.00 | 739.00 | 165962.05 | 195224.02 | C. R. R. of N. J. | 163991.02 | | 163991.02 |
| | Beaver Meadow | Coxe Bros. & Co., Inc. | L. V. C. Sales Co. | | 279397.15 | 233170.11 | 19040.00 | 4067.10 | 256290.05 | None | | 254539.17 | 23155.05 | 231384.12 |
| | Buck Mountain | Lehigh Valley Coal Co. | do | | 234247.14 | 191502.10 | 32501.00 | 800.00 | 200946.14 | None | | 199522.03 | 9280.05 | 190241.18 |
| | Centralia | do | do | | 468456.09 | 344765.03 | 52145.17 | 5234.10 | 411076.02 | None | | 410673.19 | 62695.05 | 347978.14 |
| | Coleraine | Estate of A. S. Van Wickle | | Est. A. S. Van Wickle | 284978.15 | None | 45697.00 | 2229.00 | 43219.06 | 52191.00 | C. R. R. of N. J. | | | |
| | | | | | | | | | | 141642.09 | P. & R. Ry. | 42992.08 | | 42992.08 |
| | Cranberry | A. Pardee & Co. | L. V. C. Sales Co. | | 556378.17 | 450594.12 | 70080.00 | 6859.14 | 479439.03 | None | | 477832.10 | 28622.14 | 449209.16 |
| | Drifton | Coxe Bros. & Co., Inc. | do | | 397053.10 | 313307.12 | 57534.10 | 5626.00 | 333893.00 | None | | 332834.11 | 22013.10 | 310821.01 |
| | Eckley Washery | do | do | | 61465.05 | 28322.08 | 24026.10 | 350.00 | 37088.15 | None | | 36905.05 | 5873.12 | 31031.13 |
| | Evans | Evans Colliery Co. | E. Boston Coal Co. | | 21550.14 | None | 6000.00 | 62.00 | 15488.14 | None | | 15292.01 | | 15292.01 |
| | Harleigh | Harleigh Brookwood C. Co. | Madeira Hill & Co. | | 101722.02 | None | 12000.00 | 641.18 | 89080.04 | None | | 88404.04 | | 88404.04 |
| | Harwood | Harwood Coal Co. | Swain Bros., Mill Creek Coal Co., Whitney & Kemmerar | | 183600.00 | None | 18000.00 | 1600.00 | 164000.00 | None | | 164057.00 | | 164057.00 |
| | Hazle Brook | J. S. Wentz & Co. | | J. S. Wentz & Co. | 129874.08 | None | 22915.00 | 1771.00 | 105188.08 | None | | 104599.17 | 36.16 | 104563.01 |
| | Hazle Mountain | Hazle Mtn. Coal Co. | W. R. McTurk & Co. | | 114584.12 | None | 18252.00 | 934.00 | 95398.12 | None | | 94819.19 | 16.02 | 94803.17 |
| | Hazleton No. 1 | Lehigh Valley Coal Co. | L. V. C. Sales Co. | | 331465.14 | 226831.06 | 18069.00 | 59771.15 | 253624.19 | None | | 252092.04 | 26587.00 | 255505.04 |
| | Hazleton Shaft | do | do | | 974361.14 | 703956.09 | 142221.11 | | 832140.03 | None | | 829595.18 | 94564.06 | 735031.12 |
| | Highland No. 2*** | G. B. Markle Co. | | | | | | | 249040.02 | None | | 249040.02 | 42.17 | 248997.05 |
| | Highland No. 5*** | do | | | | | | | 336889.01 | None | | 336889.01 | 141.07 | 336747.14 |
| | Jeddo No. 4*** | do | | | | | | | 364555.15 | None | | 364553.15 | 92.07 | 364461.08 |
| | Jeddo No. 7*** | do | | | | | | | 296171.09 | None | | 296171.09 | 24.11 | 296146.18 |
| | Lattimer No. 3 Washery*** | Pardee Bros. & Co., Inc. | | | | | | | 7285.08 | None | | 7285.08 | | 7285.08 |
| | Lattimer No. 4*** | do | | | | | | | 575250.14 | None | | 575250.14 | 185.06 | 575065.08 |
| | Middle Lehigh | Mill Creek Coal Co. | | Mill Creek C. Co. | 128677.03 | None | 19060.00 | 726.00 | 69744.13 | 39146.10 | P. R. R. | 69497.08 | | 69497.08 |
| | Midvalley | Midvalley Coal Co. | | Midvalley C. Co. | 340482.04 | None | 38040.00 | 2704.18 | 299737.06 | None | | 298270.13 | 79.07 | 298191.06 |
| | Moren | Dodson Coal Co. | | Weston Dodson & Co. | 314288.10 | None | 28084.00 | 969.10 | 29002.09 | 256232.11 | P. & R. Ry. | 25473.02 | | 25473.02 |
| | Packer No. 4 | Lehigh Valley Coal Co. | L. V. C. Sales Co. | | 951466.09 | 684716.14 | 105100.07 | 9117.10 | 837248.12 | None | | 833923.06 | 136017.03 | 697906.03 |
| | Park No. 2 | do | do | | 423213.11 | 272973.07 | 106007.03 | 2157.00 | 315049.08 | None | | 315075.01 | 26650.16 | 288424.05 |
| | Sayre | do | do | | 336301.00 | 254202.03 | 55555.00 | 3009.00 | 277737.00 | None | | 276568.12 | 23387.03 | 253181.09 |
| | Spring Brook Washery | do | do | | 27898.18 | 15543.11 | None | None | 27898.18 | None | | 27793.08 | 5121.08 | 22672.00 |
| | Spring Mountain | do | do | | 695538.02 | 507141.05 | 97632.12 | 3963.04 | 593942.06 | None | | 592865.14 | 50632.10 | 542233.04 |
| | Total | | | | 7749928.13 | 4227027.02 | 1018961.10 | 113333.09 | 7762387.11 | 684436.12 | | 7736810.11 | 515219.10 | 7221591.01 |
| Schuylkill Region | Blackwood | Lehigh Valley Coal Co. | L. V. C. Sales Co. | | 307069.16 | 207067.05 | 27160.00 | 1332.00 | 278577.16 | None | | 277473.01 | 70372.07 | 207100.14 |
| WYOMING REGION | Black Diamond | Plymouth Coal Co. | | Plymouth Coal Co. | 181821.01 | None | 18200.00 | 4746.16 | 54262.03 | 104612.02 | D. L. & W. | 54033.01 | | 54033.01 |
| | Dorrance | Lehigh Valley Coal Co. | L. V. C. Sales Co. | | 531406.06 | 416019.09 | 54087.10 | 49352.10 | 427966.06 | None | | 425357.01 | 11903.06 | 413453.15 |
| | East Boston | East Boston Coal Co. | | E. Boston C. Co. | 172819.17 | None | 20561.00 | 4985.18 | 34353.02 | 112919.17 | D. L. & W. | 22103.13 | 44.18 | 22058.15 |
| | East Boston Washery | do | | do | 36231.00 | None | 9125.00 | 261.05 | 20343.01 | 6501.14 | D. L. & W. | 10887.11 | | 10887.11 |
| | Exeter | Lehigh Valley Coal Co. | L. V. C. Sales Co. | | 531980.19 | 435598.11 | 59353.00 | 23692.00 | 448935.19 | None | | 447493.16 | 13362.12 | 434131.04 |
| | Florence*** | A. M. Wyman | | | | | | | 269.12 | | | 269.12 | | 269.12 |
| | Forty Fort | Forty Fort Coal Co. | L. V. C. Sales Co. | | 273094.15 | 236066.02 | 15459.00 | 3359.19 | 254275.16 | None | | 258869.12 | 18223.15 | 240645.17 |
| | Franklin | Lehigh Valley Coal Co. | do | | 353698.18 | 299411.19 | 41145.00 | 6379.00 | 306174.18 | None | | 305833.15 | 6775.03 | 299058.12 |
| | Harry "E" | Forty Fort Coal Co. | do | | 307690.10 | 246402.04 | 32967.00 | 2879.00 | 271844.10 | None | | 271805.18 | 25442.06 | 246363.12 |
| | Heidelberg No. 1 | Lehigh Valley Coal Co. | do | | 302402.01 | 241252.08 | 33310.10 | 1825.00 | 267266.11 | None | | 266410.11 | 25859.09 | 240551.02 |
| | Hillman | Wilkes-Barre Anthracite C. Co. | Pattison & Bowns; Thome Neal & Co. Whitney & Kemmerer | | 174937.19 | None | 16425.00 | 9558.06 | 148954.13 | None | | 148558.02 | 92.08 | 148465.14 |
| | Kingston No. 2 | Kingston Coal Co. | Various | | 937651.09 | None | 21408.00 | 77026.14 | 372858.12 | 84577.15 | D. & H. | 371872.05 | 131.06 | 371740.19 |
| | | | | | | | | | | 381780.08 | D. L. & W. | | | |
| | Kingston No. 4 | do | do | | 672558.04 | None | 57283.00 | 2985.07 | 178823.00 | 431546.08 | D. & H. | 179759.00 | 58.06 | 179700.14 |
| | | | | | | | | | | 1920.09 | D. L. & W. | | | |
| | Kingston No. 4 Washery | do | do | | 107680.10 | None | 3045.00 | 604.08 | 82551.03 | 20968.06 | D. & H. | 81546.16 | | 81546.16 |
| | | | | | | | | | | 511.13 | D. L. & W. | | | |
| | Louise | Raub Coal Co. | L. V. C. Sales Co. | | 149848.17 | 111596.19 | 16425.00 | 10910.09 | 122513.08 | None | | 122059.05 | 10919.14 | 111139.11 |
| | Maltby | Lehigh Valley Coal Co. | do | | 368377.19 | 288673.00 | 49344.00 | 5528.10 | 313505.09 | None | | 312514.08 | 24752.05 | 287762.03 |
| | Mineral Springs | do | do | | 319866.04 | 269122.01 | 29355.00 | 2607.00 | 287904.04 | None | | 286436.11 | 18683.05 | 267753.06 |
| | Miners Mills | Healey Coal Co. | Dougherty Coal Co. C. A. Bowman Peale Peacock & Kerr | | 60764.02 | None | 1808.00 | 1698.00 | 57258.02 | None | | 57227.14 | 28.16 | 57198.18 |
| | Mt. Lookout | Mt. Lookout Coal Co. | L. V. C. Sales Co. D. L. & W. Coal Co. | | 354428.06 | 144624.00 | 40775.00 | 3883.12 | 152681.12 | 157088.02 | D. L. & W. | 151363.19 | 8057.12 | 143306.07 |
| | Pickaway | McCauley Coal Co. | | McCauley Coal Co. | 11835.13 | None | 302.10 | None | 11533.03 | None | | 10720.02 | | 10720.02 |
| | Prospect | Lehigh Valley Coal Co. | L. V. C. Sales Co. | | 1211366.07 | 1055834.03 | 115730.02 | 6288.10 | 1089347.15 | None | | 1085494.17 | 15156.19 | 1070337.18 |
| | Seneca | do | do | | 334525.04 | 283959.08 | 41071.00 | 4975.00 | 288479.04 | None | | 287336.00 | 4514.10 | 282821.10 |
| | Sibley | Elliott McClure & Co. | Themselves | | 220352.16 | None | 6925.00 | 11576.02 | 76235.00 | 125616.14 | D. L. & W. | 75763.17 | 28.12 | 75735.05 |
| | Troy | Healey Coal Co. | Dougherty Coal Co. C. A. Bowman Peale Peacock & Kerr | | 32916.04 | None | 2738.00 | 1311.13 | 28866.11 | None | | 28837.16 | 32.11 | 28805.05 |
| | Westmoreland | Lehigh Valley Coal Co. | L. V. C. Sales Co. | | 238352.13 | 207410.04 | 18317.00 | 5348.00 | 214687.13 | None | | 213946.17 | 7345.16 | 206601.01 |
| | William "A" | do | do | | 453606.15 | 367042.19 | 64007.03 | 7125.00 | 382474.12 | None | | 383363.16 | 15320.03 | 368043.13 |
| | Total | | | | 8340214.09 | 4603013.07 | 769166.15 | 248907.19 | 5894365.19 | 1428043.08 | | 5859865.15 | 206733.12 | 5653132.03 |
| | Grand Total | | | | 16397212.18 | 9037107.14 | 1815288.05 | 363573.08 | 13935331.06 | 2112480.00 | | 13874149.07 | 792325.09 | 13081823.18 |

* Figures furnished by operator. *** Figures for these collieries not furnished by operator.
** Figures obtained from L. V. R. R. records.

# L. V. R. R. EXHIBIT NO. 53. 9209

LEHIGH VALLEY RAILROAD COMPANY.

DISTRIBUTION OF ANTHRACITE TRANSPORTED FROM COLLIERIES ON LINE OF L. V. R. R. CO., FISCAL YEAR ENDING JUNE 30, 1913.

| Railroad Delivered to | Junction Pt. | Gross Tons | Gross Tons at Water Transfer Pts. | |
|---|---|---|---|---|
| | | | Delivered to L. V. T. Boats | Delivered to Foreign Boats |
| Bay Shore Connecting R. R. | Newark, N. J. | 871 00 | | |
| Buffalo & Susquehanna Ry. | Elmira, N. Y. | 5333 14 | | |
| " | Buffalo, N. Y. | 773 00 | | |
| B. R. & P. Ry. | P. & L. Jct., N. Y. | 72579 08 | | |
| " | Buffalo, N. Y. | 18775 04 | | |
| Central R. R. of New Jersey | Wilkes-Barre, Pa. | 61131 14 | | 9210 |
| " " | Phillipsburg, N. J. | 55776 11 | | |
| " " | Oak Island Jct., N. J. | 1851 07 | | |
| " " | Packerton, Pa. | 11031 11 | | |
| " | Bound Brook, N. J. | 26298 16 | | |
| Cortland County Traction Co. | Cortland, N. Y. | 1207 00 | | |
| Delaware & Hudson Co. | Wilkes-Barre, Pa. | 398 08 | | |
| D. L. & W. R. R. Co. | Phillipsburg, N. J. | 384 15 | | |
| Erie Railroad | Waverly, N. Y. | 11616 06 | | |
| Genesee & Wyoming R. R. | P. & L. Jct., N. Y. | 532 07 | | |
| Grand Trunk Ry. | Suspension Br., N. Y. | 435825 00 | | |
| Ironton R. R. | Catasauqua, Pa. | 41072 13 | | |
| Lackawanna & Wyoming Valley R. R. | Wilkes-Barre, Pa. | 42 17 | | |
| L. S. & M. S. Ry. | Buffalo, N. Y. | 414164 00 | | |
| Lehigh & Hudson River Ry. | Easton, Pa. | 17648 10 | | |
| Lehigh & New England R. R. | Slatington, Pa. | 10404 15 | | |
| Long Island R. R. | Jersey City, N. J. | 128419 10 | | |
| Michigan Central R. R. | Suspension Br., N. Y. | 391052 00 | | |
| N. Y., Auburn & Lansing R. R. | Auburn, N. Y. | 2768 17 | | |
| N. Y. C. & H. R. R. R. Co. | National Jct., N. J. | 283182 02 | | |
| " " | Jersey City, N. J. | 66396 13 | | 9211 |
| " " | Buffalo, N. Y. | 25902 14 | | |
| " " | No. Tonawanda, N. Y. | 13345 06 | | |
| " " | Geneva, N. Y. | 164905 05 | | |
| " " | Canastota, N. Y. | 56557 07 | | |
| " " | Camden, N. Y. | 611 07 | | |
| " " | Auburn, N. Y. | 10709 01 | | |
| " " | Weedsport, N. Y. | 234610 03 | | |
| " " | Sterling, N. Y. | 215752 06 | | |
| N. Y. C. & St. L. R. R. | Rippleton, N. Y. | 6267 12 | | |
| N. Y., N. H. & H. R. R. | Buffalo, N. Y. | 178741 00 | | |
| N. Y., O. & W. Ry. | Jersey City, N. J. | 530634 14 | | |
| " | Sibley Jct., Pa. | 112414 11 | | |
| " | Sylvan Jct., N. Y. | 2980 14 | | |
| N. Y., S. & W. R. R. | Jenkins Jct., Pa. | 2590 18 | | |
| Pennsylvania R. R. | Wilkes-Barre, Pa. | 34 13 | | |
| " " | Tombicken, Pa. | 292 07 | | |
| " " | Gum Run, Pa. | 61824 18 | | |
| " " | New Boston Jct., Pa. | 45610 16 | | |
| " " | Metuchen, N. J. | 112737 03 | | |
| " " | West Newark, N. J. | 87159 09 | | |
| " " | Communipaw Ave., N. J. | 15239 19 | | 9212 |
| " " | Phillipsburg, N. J. | 1261187 05 | | |
| " " | Wadsworth Jct., N. Y. | 6583 14 | | |
| Pere Marquette R. R. | Buffalo, N. Y. | 19423 06 | | |
| Phila. & Reading Ry. | Suspension Br., N. Y. | 173135 00 | | |
| " | East Penn Jct., Pa. | 108054 19 | | |
| Rahway Valley R. R. | Bethlehem, Pa. | 41596 03 | | |
| South Brooklyn Ry. | Roselle Jct., N. J. | 10831 08 | | |
| Staten Island Rapid Transit Co. | Jersey City, N. J. | 3951 10 | | |
| Wabash R. R. | Staten Island Jct., N. J. | 17202 00 | | |
| Williamsport & No. Branch R. R. | Suspension Br., N. Y. | 128923 00 | | |
| WATER TRANSFER POINTS: | Satterfield, Pa. | 124 19 | | |
| Perth Amboy Tide | Perth Amboy, N. J. | 2048143 06 | 539761 15 | 1508381 11 |
| Newark Bay Transfer | Newark Bay Transfer, N. J. | 143705 00 | 143705 00 | |
| Morris Canal | via Pt. Delaware, N. J. | 13989 08 | 13989 08 | |
| Bklyn. E. D. Terminal | Brooklyn, N. Y. | 190724 00 | | 190724 00 |
| Bush Docks | Brooklyn, N. Y. | 13890 00 | | 13890 00 |

9213 **L. V. R. R. EXHIBIT NO. 53—(Continued).**

LEHIGH VALLEY RAILROAD COMPANY.

DISTRIBUTION OF ANTHRACITE TRANSPORTED FROM COLLIERIES ON LINE OF L. V. R. R. CO., FISCAL YEAR ENDING JUNE 30, 1913.

| Railroad Delivered to | Junction Pt. | Gross Tons | Gross Tons at Water Transfer Pts. | |
|---|---|---|---|---|
| | | | Delivered to L. V. T. Boats | Delivered to Foreign Boats |
| Fair Haven Docks | No. Fair Haven, N. Y. | 183511 19 | | 183511 19 |
| Canastota Docks | Canastota, N. Y. | 12410 08 | | 12410 08 |
| Tifft Farm Docks | Buffalo, N. Y. | 1565619 14 | 102963 06 | 1462656 08 |
| 9214 TOTAL | | 9981477 00 | 800419 09 | 3371574 06 |

Total Tonnage Carried by L. V. R. R.

| | |
|---|---|
| To L. V. Local Points | 3200346 18 |
| Supply Coal | 792325 09 |
| | 3992672 07 |

RECAPITULATION

| | |
|---|---|
| Connecting Lines | 5709483 05 |
| Water Transfer Pts. | 4171993 15 |
| L. V. Local points | 3200346 18 |
| Miscellaneous | 72593 00 |
| Total Revenue | 13154417 07* |
| Supply | 792325 09 |
| Total | 13946742 16 |
| 9215 *Net tons. | 14732947 00 |

9216

# L. V. R. R. EXHIBIT NO. 55.

9225

## LEHIGH VALLEY RAILROAD COMPANY

Range of Prices of the Common Stock of the Lehigh Valley Railroad Company for the Years 1863 to 1913, Both Inclusive, Arrived at **Years 1863 to 1873, both inclusive** from the Bid and Offered Prices for the Stock Each Day During Said Years, **at The Philadelphia Stock Exchange. And for the years 1879 to 1913, both inclusive, from the highest and lowest price of sales made each day on The Philadelphia Stock Exchange.**

(Furnished by Secretary's Office, Philadelphia Stock Exchange.)
(In Terms of Dollars per Share)

9226

| Year. | High. | Low. | Year. | High. | Low. |
|---|---|---|---|---|---|
| 1863 | **111** | **65** | 1889 | 55 | 52 |
| 1864 | 138 | 75 | 1890 | 54⅛ | 47½ |
| 1865 | 83 | 57 | 1891 | 51¼ | 45⅞ |
| 1866 | 70 | 60 | 1892 | 62½ | 50¼ |
| 1867 | 68 | 49½ | 1893 | 62 | 29¼ |
| 1868 | 56½ | 49¾ | 1894 | 42⅜ | 32⅝ |
| 1869 | 57 | 50 | 1895 | 43 | 27½ |
| 1870 | 61 | 52½ | 1896 | 38⅝ | 27⅛ |
| 1871 | 63 | 57¾ | 1897 | 32⅛ | 20⅛ |
| 1872 | 65 | 56⅜ | 1898 | 26¼ | 17½ |
| 1873 | 62 | 53 | 1899 | 30 | 22⅛ |
| 1874 | 62¾ | 58½ | 1900 | 30½ | 21⅞ |
| 1875 | 64 | 60 | 1901 | 39⅜ | 28½ |
| 1876 | 65 | 45 | 1902 | 38½ | 29¼ |
| 1877 | 50 | 27½ | 1903 | 45⅞ | 34½ |
| 1878 | 42¼ | 33 | 1904 | 59⅞ | 33¾ |
| a1879 | 55 | 33½ | 1905 | 90½ | 52½ |
| 1880 | 57¾ | 46 | 1906 | **86** | 65 |
| 1881 | 63¼ | 57½ | 1907 | 78⅞ | 48½ |
| 1882 | 67¾ | 58⅛ | 1908 | 76¾ | 52⅝ |
| 1883 | 73¼ | 63 | 1909 | 113 | 67 |
| 1884 | 71⅞ | 57 | 1910 | 121¼ | 62½ |
| 1885 | 61¼ | 54½ | 1911 | 93 7/16 | **75**¾ |
| 1886 | 62 | 55¼ | 1912 | 92⅞ | 78⅛ |
| b1887 | 57¾ | 53⅞ | 1913 | 84 1/16 | 70⅝ |
| 1888 | **57**⅞ | 51½ | | | |

9227

a. Hugh and Lowe Books. b. Books of Record.

9228

9229

9230

9231

9232

# L. V. R. R. EXHIBIT NO. 56.

SHIPMENTS OF ANTHRACITE COAL VIA THE VARIOUS COAL CARRYING RAILROADS, YEARS 1886 TO 1913 INCLUSIVE.

| | 1886 | | 1887 | | 1888 | | 1889 | | 1890 | | 1891 | | 1892 | | 1893 | | 1894 | | 1895 | | 1896 | | 1897 | | 1898 | | 1899 | | 1900 | | 1901 | | 1902 | | 1903 | | 1904 | | 1905 | | 1906 | | 1907 | | 1908 | | 1909 | | 1910 | | 1911 | | 1912 | | 1913 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. |
| (1) D. L. & W. | 9,019,333 | 20 89 | 8,393,411 | 20 16 | 8,210,814 | 19 62 | 9,683,303 | 20 32 | 9,338,316 | 20 70 | 10,871,967 | 20 48 | 5,966,811 | 18 94 | 11,890,365 | 19 36 | 11,399,622 | 19 83 | 12,379,302 | 20 48 | 11,238,205 | 20 21 | 12,576,868 | 19 43 | 11,930,757 | 19 28 | 12,445,738 | 19 17 | 13,265,726 | 18 98 | 12,852,396 | 20 20 | 12,914,887 | 18 70 | 12,379,868 | 19 43 | 11,930,757 | 19 28 | 12,445,738 | 19 17 | 13,265,726 | 18 98 | 12,852,396 | 20 20 | 12,914,887 | 18 70 |
| (2) L. V. R. R. | 6,749,126 | 15 63 | 6,425,227 | 15 43 | 6,425,227 | 15 43 | 7,386,032 | 15 52 | 7,566,932 | 15 32 | 8,310,341 | 15 51 | 4,631,535 | 14 64 | 9,737,190 | 16 03 | 9,611,826 | 16 72 | 10,072,126 | 16 80 | 9,071,699 | 17 06 | 10,072,126 | 16 80 | 9,611,826 | 16 72 | 10,072,126 | 16 80 | 11,791,691 | 18 02 | 11,791,691 | 18 54 | 13,011,376 | 18 78 | 10,072,126 | 16 80 | 9,611,826 | 16 72 | 10,072,126 | 16 80 | 11,791,691 | 18 02 | 11,791,691 | 18 54 | 13,011,376 | 18 78 |
| (3) Del. L. & W. R. R. | 4,999,010 | 11 56 | 4,730,468 | 11 36 | 4,626,396 | 11 04 | 5,392,536 | 11 33 | 5,566,536 | 11 37 | 6,190,106 | 11 56 | 3,429,960 | 11 63 | 7,494,612 | 12 67 | 7,201,276 | 12 53 | 7,983,274 | 13 09 | 6,983,217 | 13 09 | 7,983,274 | 13 09 | 7,494,612 | 12 67 | 7,983,274 | 13 09 | 8,382,477 | 13 15 | 8,382,477 | 13 12 | 8,092,433 | 12 58 | 7,983,274 | 13 09 | 7,494,612 | 12 67 | 7,983,274 | 13 09 | 8,382,477 | 13 15 | 8,382,477 | 13 12 | 8,092,433 | 12 58 |
| (4) Erie. | 5,627,333 | 13 02 | 5,696,694 | 13 67 | 5,795,585 | 13 83 | 6,272,892 | 13 17 | 6,013,489 | 13 33 | 7,233,733 | 13 46 | 4,132,274 | 14 03 | 7,275,787 | 14 03 | 6,550,963 | 14 03 | 7,276,711 | 14 03 | 6,611,489 | 14 03 | 7,276,711 | 14 03 | 6,550,963 | 14 03 | 7,276,711 | 14 03 | 9,965,627 | 15 11 | 9,965,627 | 15 51 | 9,903,341 | 14 39 | 7,276,711 | 14 03 | 6,550,963 | 14 03 | 7,276,711 | 14 03 | 9,965,627 | 15 11 | 9,965,627 | 15 51 | 9,903,341 | 14 39 |
| (5) D. & H. Co. | 4,132,274 | 9 57 | 3,921,686 | 9 42 | 3,801,286 | 9 29 | 4,132,408 | 8 67 | 3,973,826 | 8 81 | 4,752,126 | 8 84 | 2,714,332 | 9 22 | 4,801,340 | 9 27 | 4,451,054 | 9 18 | 4,796,937 | 9 11 | 4,369,947 | 9 11 | 4,796,937 | 9 11 | 4,451,054 | 9 18 | 4,796,937 | 9 11 | 6,591,679 | 10 02 | 6,591,679 | 10 22 | 6,542,276 | 9 51 | 4,796,937 | 9 11 | 4,451,054 | 9 18 | 4,796,937 | 9 11 | 6,591,679 | 10 02 | 6,591,679 | 10 22 | 6,542,276 | 9 51 |
| (6) Pennsylvania R. R. | 4,752,126 | 11 00 | 4,594,332 | 11 03 | 4,801,340 | 11 46 | 4,801,340 | 11 46 | 5,165,076 | 11 45 | 5,627,238 | 11 05 | 2,448,453 | 8 16 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 | 5,627,238 | 11 05 |
| (7) N. Y. L. E. & W. R. R. | 1,321,803 | 3 06 | 1,323,803 | 3 18 | 1,321,803 | 3 18 | 1,321,803 | 3 05 | 1,658,433 | 3 71 | 1,658,433 | 3 27 | 1,323,803 | 3 18 | 1,321,803 | 3 18 | 1,321,803 | 3 18 | 1,321,803 | 3 05 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,323,803 | 3 18 | 1,321,803 | 3 18 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 | 1,658,433 | 3 27 |
| (8) D. L. & W. R. R. | 1,694,694 | 3 93 | 1,622,926 | 3 80 | 1,555,830 | 3 71 | 1,694,667 | 3 56 | 1,565,488 | 3 45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 43,177,861 | 100 | 41,657,865 | 100 | 41,909,754 | 100 | 47,665,204 | 100 | 45,107,484 | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | 1901 | | 1902 | | 1903 | | 1904 | | 1905 | | 1906 | | 1907 | | 1908 | | 1909 | | 1910 | | 1911 | | 1912 | | 1913 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. | Tons. | Per Cent. |
| (1) D. L. & W. | 10,871,967 | 20 48 | 5,966,811 | 18 94 | 11,890,365 | 19 36 | 11,399,622 | 19 83 | 12,379,302 | 20 48 | 11,238,205 | 20 21 | 12,576,868 | 19 43 | 11,930,757 | 19 28 | 12,445,738 | 19 17 | 13,265,726 | 18 98 | 12,852,396 | 20 20 | 12,914,887 | 18 70 | 16,019,799 | 20 89 |
| (2) L. V. R. R. | 8,310,341 | 15 51 | 4,631,535 | 14 64 | 9,737,190 | 16 03 | 9,611,826 | 16 72 | 10,072,126 | 16 80 | 9,071,699 | 17 06 | 10,772,040 | 16 66 | 10,296,627 | 16 61 | 11,195,765 | 17 25 | 12,601,000 | 18 02 | 11,791,691 | 18 54 | 13,011,376 | 18 78 | 11,332,255 | 17 18 |
| (3) Del. L. & W. R. R. | 6,190,107 | 11 56 | 3,629,960 | 11 63 | 7,494,612 | 12 67 | 7,201,276 | 12 53 | 7,983,274 | 13 09 | 6,983,217 | 13 09 | 8,495,425 | 13 14 | 7,938,274 | 12 81 | 8,539,133 | 13 15 | 9,614,802 | 13 75 | 8,382,477 | 13 12 | 9,092,433 | 12 58 | 8,714,113 | 13 21 |
| (4) Erie. | 7,233,733 | 13 46 | 5,132,496 | 16 31 | 9,575,551 | 16 13 | 9,433,089 | 16 53 | 9,554,048 | 15 56 | 9,281,873 | 16 59 | 10,955,695 | 15 65 | 9,531,695 | 15 38 | 9,969,076 | 15 35 | 9,969,076 | 14 11 | 9,965,627 | 15 51 | 9,903,341 | 14 39 | 10,237,419 | 15 52 |
| (5) D. & H. Co. | 5,627,238 | 11 05 | 3,099,894 | 9 85 | 5,927,262 | 9 97 | 5,276,787 | 9 24 | 5,640,526 | 9 19 | 5,346,695 | 9 56 | 6,961,706 | 9 94 | 6,139,946 | 9 90 | 6,575,356 | 9 68 | 6,575,356 | 9 31 | 6,361,256 | 9 90 | 6,542,276 | 9 51 | 6,582,706 | 9 98 |
| (6) Pennsylvania R. R. | 5,627,238 | 11 05 | 3,099,894 | 9 85 | 5,927,262 | 9 97 | 5,276,787 | 9 24 | 5,640,526 | 9 19 | 5,346,695 | 9 56 | 6,961,706 | 9 94 | 6,139,946 | 9 90 | 6,575,356 | 9 68 | 6,575,356 | 9 31 | 6,361,256 | 9 90 | 6,542,276 | 9 51 | 6,582,706 | 9 98 |
| (7) N. Y. L. E. & W. R. R. | 5,627,238 | 11 05 | 3,099,894 | 9 85 | 5,927,262 | 9 97 | 5,276,787 | 9 24 | 5,640,526 | 9 19 | 5,346,695 | 9 56 | 6,961,706 | 9 94 | 6,139,946 | 9 90 | 6,575,356 | 9 68 | 6,575,356 | 9 31 | 6,361,256 | 9 90 | 6,542,276 | 9 51 | 6,582,706 | 9 98 |
| (8) D. L. & W. R. R. | 2,594,277 | 5 09 | 1,627,876 | 5 17 | 2,693,462 | 4 54 | 2,686,730 | 4 69 | 2,964,098 | 4 83 | 2,444,273 | 4 29 | | | | | | | | | | | | | | |
| (9) L. V. R. R. | 1,321,803 | 2 59 | 733,044 | 2 33 | 1,654,400 | 2 78 | 1,546,476 | 2 69 | 1,665,374 | 2 71 | | | | | | | | | | | | | | | | |
| (10) D. L. & W. R. R. | 1,694,694 | 3 33 | 1,622,926 | 5 15 | 1,555,830 | 2 62 | 1,694,667 | 2 96 | 1,565,488 | 2 55 | | | | | | | | | | | | | | | | |
| | 51,005,631 | 100 | 31,290,806 | 100 | 59,362,831 | 100 | 57,402,522 | 100 | 61,410,201 | 100 | 55,696,595 | 100 | | | | | | | | | | | | | | |

COPY BOUND C

# L. V. R. R. EXHIBIT NO. 57. 9233

## TONNAGE OF ANTHRACITE AND REVENUE THEREFROM

## LEHIGH VALLEY RAILROAD COMPANY

### 1855 to 1889.

Fiscal year ending November 30.

| Year | Tons (2,240 lbs.) | | | | Revenue | |
|---|---|---|---|---|---|---|
| 1855 | 3 months | 9,492 | | | $ 5,353.32 | |
| 1856 | For the year | 165,740 | Note: Figures from Annual Report 1865, p. 11. | | 154,286.73 | 9234 |
| 1857 | " | 418,235 | | | 337,074.62 | |
| 1858 | " | 471,029 | | | 338,960.05 | |
| 1859 | " | 577,651 | | | 391,706.81 | |
| 1860 | " | 720,642 | | | 514,530.40 | |
| 1861 | " | 743,672 | | | 490,877.92 | |
| 1862 | " | 982,574 | | | 630,624.90 | |
| 1863 | " | 1,195,155 | | | 1,075,545.65 | |
| 1864 | " | 1,295,419 | | | 1,898,118.35 | |
| 1865 | " | 1,402,277 | | | 2,513,701.68 | |
| 1866 | " | 2,037,714 | | | 2,760,282.75 | |
| 1867 | " | 2,080,156 | | | 2,535,696.27 | |
| 1868 | " | 2,093,103 | | | 3,178,290.49 | |
| 1869 | " | 2,310,170 | | | 3,564,822.21 | |
| 1870 | " | 3,009,588 | | | 4,497,296.93 | |
| 1871 | " | 2,781,567 | | | 3,687,466.83 | |
| 1872 | " | 3,850,118 | Bituminous | 27,691 tons | 4,250,729.58 | 9235 |
| 1873 | " | 4,144,340 | " | 29,926 " | 4,860,936.68 | |
| 1874 | " | 4,150,660 | " | 26,622 " | 4,958,209.57 | |
| 1875 | " | 3,277,527 | " | 55,900 " | 4,425,609.86 | |
| 1876 | " | 3,951,513 | " | 35,566 " | 5,030,241.60 | |
| 1877 | " | 4,302,121 | " | 29,162 " | 4,731,725.75 | |
| 1878 | " | 3,446,616 | " | 22,977 " | 3,867,895.28 | |
| 1879 | " | 4,261,785 | " | 53,699 " | 4,011,464.50 | |
| 1880 | " | 4,686,415 | " | 66,300 " | 5,352,604.46 | |
| 1881 | " | 5,791,376 | " | 79,325 " | 6,678,560.27 | |
| 1882 | " | 6,257,139 | " | 78,983 " | 7,158,744.07 | |
| 1883 | " | 6,527,912 | " | 64,734 " | 7,401,795.94 | |
| 1884 | " | 6,008,980 | " | 50,968 " | 6,295,282.32 | |
| 1885 | " | 6,258,178 | " | 54,253 " | 6,079,541.75 | |
| 1886 | " | 6,656,674 | " | 45,202 " | 5,600,235.94 | |
| 1887 | " | 6,824,321 | " | 59,636 " | 6,165,411.29 | |
| 1888 | " | 7,950,447 | " | 74,887 " | | 9236 |
| 1889 | " | 8,323,594 | " & coke | 293,444 " | 8,647,464.73 | |
| 1890 | " | 8,120,629 | " | 300,949 " | 8,093,960.63 | |
| 1891 | " | 10,332,954 | " | 265,847 " | 9,679,983.70 | |
| 1892 | " | 10,559,228 | " | 313,671 " | 9,496,521.09 | |
| 1893 | " | 11,477,630 | " | 345,830 " | 9,225,027.51 | |
| 1894 | " | 11,103,157 | " | 327,567 " | 8,391,541.81 | |
| 1895 | " | 12,045,309 | " | 436,194 " | 8,470,959.32 | |
| 1896 | " | 11,534,854 | " | 819,938 " | 8,623,573.81 | |
| 1897 | " | 10,278,410 | " | 1,251,637 " | 8,560,418.07 | |
| 1898 | " | 10,220,262 | " | 1,308,568 " | 8,436,391.89 | |
| 1899 | " | 11,375,555 | " | 1,691,981 " | 9,553,950.31 | |
| 1900 | " | 7,761,057 | " | 1,114,102 " | 8,804,201.84 | |
| 1901 | " | 9,547,117 | " | 1,081,231 " | 11,099,166.60 | |
| Dec. 1901 to June 30, 1902 | " | 3,679,691 | " | 819,553 " | 4,321,449.49 | |

OSE IN CENTER

9237 **L. V. R. R. EXHIBIT NO. 57—(Continued).**

| Year ended June 30, | | | | | | |
|---|---|---|---|---|---|---|
| 1903 | " | 7,700,608 | Bituminous | 1,723,610 | tons | $10,104,764.40 |
| 1904 | " | 9,990,647 | " | 1,703,504 | " | 12,835,076.24 |
| 1905 | " | 10,574,642 | " | 1,943,727 | " | 13,530,337.42 |
| 1906 | " | 10,238,999 | " | 2,514,054 | " | 13,248,565.42 |
| 1907 | " | 11,870,660 | " | 2,503,526 | " | 15,110,899.38 |
| 1908 | " | 12,551,587 | " | 1,970,675 | " | 16,175,279.94 |
| 1909 | " | 11,144,452 | " | 2,128,684 | " | 14,831,670.78 |
| 1910 | " | 11,513,475 | " | 2,520,921 | " | 15,821,797.62 |
| 1911 | " | 12,597,800 | " | 2,991,950 | " | 17,155,534.15 |
| 1912 | " | 11,627,086 | " | 3,539,767 | " | 16,301,316.24 |
| 1913 | " | 14,732,949 | " | 3,162,458 | " | 20,385,389.09 |

1890 Gross Ton Basis. 1891 and thereafter Net Ton Basis.

9238 1890 to 1899 inc. includes Tons and revenue on trackage and also ton supply.

9239

9240

# L. V. R. R. EXHIBIT NO. 58.

9241

## LEHIGH VALLEY RAILROAD COMPANY

## LIST OF LESSEES OF TRESTLES, SHOWING DATE OF LEASE AND DATE VACATED.

| Name of Lessee. | Location of Premises | Date of Lease | Date Vacated | |
|---|---|---|---|---|
| L. F. Neuweiler & Son | Allentown, Pa. Gordon St. | 11/29/09 | 5/ 1/13 | |
| Wm. Hilbert & Co. | Allentown, Pa. | 1/ 4/10 | 8/15/11 | |
| R. S. Rathbun | " | 2/28/11 | 2/28/14 | |
| H. E. Lehr | " | 8/12/11 | 2/21/13 | 9242 |
| C. C. Reichard | " | 11/13/11 | 10/31/13 | |
| Cuddy & Geberin | Auburn, N. Y. Washington St. | 4/17/09 | 6/30/12 | |
| Tillotson & Howson | Canenovia, N. Y. nr. Elm St. | 4/25/10 | 4/ 1/12 | |
| D. Moore & F. W. Hadlow | Dickson, N. Y. | 9/18/09 | 9/ 1/13 | |
| The Allen-Hewitt Co. | Groton, N. Y. near Mill St. | 6/11/09 | 3/31/14 | |
| C. M. Westlake | Homerhonda, N. Y. Ithaca St. | 1/ 1/12 | 12/31/13 | |
| Wm. A. Pinto Co. | Jersey City, N. J. Whiton St. | 7/26/10 | 3/31/13 | |
| J. B. Donovan | Laceyville, Pa. | 12/15/07 | 12/ 1/12 | |
| J. B. Locking | Newark, N. J. | 3/14/12 | 10/ 1/13 | |
| Paul Bros. | " | 12/12/11 | 11/ 1/12 | |
| " | " | 3/14/12 | 3/14/13 | |
| F. E. Benedict | " | 2/16/12 | 2/28/13 | |
| Newmarket C&G Co. | New Market, N. J. | 3/13/11 | 6/ 1/13 | |
| W. F. Carty | Phillipsburg, N. J. | 6/ 1/09 | 5/28/13 | |
| Tippitt & Wood | " | 2/ 6/12 | 5/28/13 | 9243 |
| Bittner-Fitzpatrick & Co. | Picton, N. J. | 3/ 1/10 | 3/ 1/12 | |
| Edward Bloom | Sunnyside, N. J. | 2/28/08 | 2/28/14 | |
| Arthur Taylor | Stockerton, Pa. | 6/ 5/12 | 9/10/13 | |
| L. J. Wilbur | Victor, N. Y. Maple Ave. | 1/30/09 | 8/ 1/13 | |
| Frank Brewster | Vienna, N. Y., Kilt's Public Highway | 3/25/10 | 12/ 1/11 | |

9244

9245

# L. V. R. R. EXHIBIT NO. 59.

## LEHIGH VALLEY RAILROAD

Revenue Per Ton Per Mile on Merchandise and Coal Separately, From Hazleton, Pa. and Wilkes Barre, Pa., for various Points, fiscal year ended June 30th, 1913.

(Tons 2,000 Pounds)

| | Merchandise | Anthracite Coal |
|---|---|---|
| | CENTS | CENTS |
| 9246 | | |
| Hazleton to Jersey City, N. J. | 3.017 | .748 |
| " " Newark, N. J. | 3.428 | .956 |
| " " Perth Amboy, N. J. | 3.741 | .765 |
| " " South Bethlehem, Pa. | 4.300 | .906 |
| " " Allenton, Pa. | 2.694 | 1.358 |
| " " Ithaca, N. Y. | 1.801 | .721 |
| " " Geneva, N. Y. | 2.293 | .699 |
| " " Rochester, N. Y. | 2.000 | .591 |
| " " Buffalo, N. Y. | 1.378 | .516 |
| Wilkes Barre to Jersey City | 2.485 | .583 |
| " " " Newark, N. J. | 2.250 | .639 |
| " " " Perth Amboy, | 2.707 | .563 |
| 9247 " " " So. Bethlehem, | 1.907 | .684 |
| " " " Allentown, Pa. | 3.199 | 1.016 |
| " " " Ithaca, N. Y. | 3.542 | 1.138 |
| " " " Geneva, N. Y. | 2.025 | 1.022 |
| " " " Rochester, N. Y. | 2.283 | .789 |
| " " " Buffalo, N. Y. | 1.749 | .661 |

9248

## L. V. R. R. EXHIBIT NO. 60. 9249

Statement of Gross Tons Anthracite—Other Freight—All Freight—(Revenue Freight Only) Transported over the Lehigh Valley Railroad Co.

| | Anthracite | Other Freight | All Freight |
|---|---|---|---|
| 1894 | 7,419,400 | 3,779,102 | 11,198,502 |
| 1895 | 10,890,830 | 4,989,614 | 15,880,444 |
| 1896 | 9,649,581 | 6,155,978 | 15,805,559 |
| 1897 | 9,113,101 | 6,704,870 | 15,817,971 |
| 1898 | 9,037,600 | 7,471,740 | 16,509,340 |
| 1899 | 10,243,000 | 8,216,360 | 18,459,360 |
| 1900 | 7,933,040 | 8,821,070 | 16,754,110 |
| 1901 | 7,643,600 | 8,884,130 | 16,527,730 |
| 1902 | 6,826,337 | 9,401,224 | 16,227,561 |
| 1903 | 6,875,542 | 10,910,288 | 17,785,830 |
| 1904 | 8,920,220 | 10,641,461 | 19,561,681 |
| 1905 | 9,441,640 | 11,785,390 | 21,227,030 |
| 1906 | 9,141,951 | 13,686,830 | 22,828,781 |
| 1907 | 10,598,823 | 14,538,641 | 25,137,464 |
| 1908 | 11,206,774 | 12,436,227 | 23,643,001 |
| 1909 | 9,950,400 | 12,245,311 | 22,195,711 |
| 1910 | 10,279,880 | 13,989,331 | 24,269,211 |
| 1911 | 11,248,040 | 14,209,380 | 25,457,420 |
| 1912 | 10,381,303 | 14,630,505 | 25,011,808 |
| 1913 | 13,154,402 | 15,745,400 | 28,899,802 |
| | 189,955,464 | 209,242,852 | 399,198,316 |

9250

9251

9252

9253

# L. V. R. R. EXHIBIT NO. 61.

LEHIGH VALLEY RAILROAD COMPANY

STATEMENT OF ANTHRACITE COAL REPORTED AS PRODUCED BY THE L. V. COAL CO. AND COXE BROS. & CO. INC., TRANSPORTED TO LOCAL POINTS ON L. V. R. R. AND TO CONNECTIONS AND WATER RESHIPMENT POINTS FOR A SERIES OF YEARS.

| Calendar Years | L. V. & Coxe Combined Production | Used at Mines | Net Production | L. V. R. R. Supply | Revenue Tons | Tons to Local Points on L. V. R. R. | To Connections, Including Water Reshipment |
|---|---|---|---|---|---|---|---|
| 1900 | 4,385,880 | 495,383 | 3,890,497 | 447,536 | 3,442,961 | 757,451 | 2,685,510 |
| 1901 | 5,359,545 | 491,220 | 4,868,325 | 565,376 | 4,302,949 | 946,649 | 3,356,300 |
| 1902 | 3,139,321 | 400,066 | 2,739,255 | 421,287 | 2,317,968 | 509,953 | 1,808,015 |
| 1903 | 6,321,111 | 621,427 | 5,699,684 | 734,402 | 4,965,282 | 1,092,362 | 3,872,920 |
| 1904 | 6,168,359 | 730,025 | 5,438,334 | 773,642 | 4,664,692 | 988,915 | 3,675,777 |
| 1905 | 7,115,287 | 779,869 | 6,335,418 | 823,978 | 5,511,440 | 1,218,028 | 4,293,412 |
| 1906 | 6,640,961 | 757,402 | 5,883,559 | 918,477 | 4,965,082 | 1,221,410 | 3,743,672 |
| 1907 | 7,579,253 | 910,542 | 6,668,711 | 842,852 | 5,825,859 | 1,607,937 | 4,217,922 |
| 1908 | 7,203,581 | 968,889 | 6,234,692 | 660,565 | 5,574,127 | 1,549,607 | 4,024,520 |
| 1909 | 6,544,659 | 818,857 | 5,725,802 | 705,691 | 5,020,111 | 1,400,611 | 3,619,500 |
| 1910 | 7,871,259 | 976,633 | 6,894,626 | 816,881 | 6,077,745 | 1,616,680 | 4,461,065 |
| 1911 | 9,283,692 | 1,206,510 | 8,077,182 | 886,277 | 7,190,905 | 1,912,781 | 5,278,124 |
| 1912 | 8,671,791 | 1,114,583 | 7,557,208 | 635,509 | 6,921,699 | 1,688,895 | 5,232,804 |
| 1913 | 9,541,905 | 1,246,591 | 8,295,314 | 817,295 | 7,478,019 | 2,041,499 | 5,436,520 |
| | 95,826,604 | 11,517,997 | 84,308,607 | 10,049,768 | 74,258,839 | 18,552,778 | 55,706,061 |

9254

9255

9256

# L. V. R. R. EXHIBIT NO. 62. 9257

ANTHRACITE COAL—(GROSS TONS)

| | (1) | (2) | | | (3-A) | | |
|---|---|---|---|---|---|---|---|
| Period | State of Penna. Total Production (Including Fuel Consumed) | L. V. Coal Co. Total Prod. (Incl. Fuel Consumed) | Coxe Bros. Total Prod. (Incl. Fuel Consumed) | L. V. & Coxe Combined Production | Fuel Consumed at Mines (Estimated) L. V. Coal Co. | Coxe Bros. | L. V. & Coxe Combined |
| Calendar year 1900 | 51,217,318 | 3,139,288 | 1,246,592 | 4,385,880 | 303,445 | 191,938 | 495,383 |
| do 1901 | 59,905,951 | 3,960,585 | 1,398,960 | 5,359,545 | 288,979 | 202,241 | 491,220 |
| do 1902 | 36,911,549 | 2,531,635 | 607,686 | 3,139,321 | 264,565 | 135,501 | 400,066 |
| do 1903 | 67,171,951 | 5,015,156 | 1,305,955 | 6,321,111 | 421,563 | 199,864 | 621,427 |
| do 1904 | 65,709,258 | 4,924,652 | 1,243,707 | 6,168,359 | 529,963 | 200,062 | 730,025 |
| do 1905 | 70,220,554 | 5,809,782 | 1,305,505 | 7,115,287 | 581,441 | 198,428 | 779,869 |
| do 1906 | 64,410,277 | 5,410,911 | 1,230,050 | 6,640,961 | 577,462 | 179,940 | 757,402 |
| do 1907 | 76,836,082 | 6,188,714 | 1,390,539 | 7,579,253 | 691,856 | 218,686 | 910,542 |
| do 1908 | 74,592,181 | 5,882,865 | 1,320,716 | 7,203,581 | 704,654 | 264,235 | 968,889 |
| do 1909 | 71,628,422 | 5,506,355 | 1,038,304 | 6,544,659 | 594,401 | 224,456 | 818,857 |
| do 1910 | 74,717,852 | 6,641,014 | 1,230,245 | 7,871,259 | 790,531 | 186,102 | 976,633 |
| do 1911 | 81,165,781 | 7,805,124 | 1,478,568 | 9,283,692 | 1,000,654 | 205,856 | 1,206,510 |
| do 1912 | 73,668,267 | 7,296,120 | 1,375,671 | 8,671,791 | 947,249 | 167,334 | 1,114,583 |
| do 1913 | 81,809,782 | 8,060,514 | 1,481,391 | 9,541,905 | 1,056,407 | 190,184 | 1,246,591 |
| Total | 949,965,225 | 78,172,715 | 17,653,889 | 95,826,604 | 8,753,170 | 2,764,827 | 11,517,997 |

June 23/14.

9258

9259

9260

# L. V. R. R. CO. EXHIBIT NO. 63.

FORM NO. 216-R. D.

REPORT No. 3395.

OFFICE OF THE TRUNK LINE ASSOCIATION,
(REPORT DEPARTMENT),
NEW YORK, July 10th, 1913.

## SUGAR SHIPMENTS FROM NEW YORK CITY AND PHILADELPHIA,
TO AND BEYOND THE WESTERN TERMINI OF THE TRUNK LINES.

| Roads. | June 16th to 23rd, 1913 | | | | From January 1st to June 23rd, 1913 | | | | | | From April 1st, 1896 to June 23rd, 1913 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | From New York City | From Philadelphia | Total | | From New York City | | From Philadelphia | | Total | | From New York City | | From Philadelphia | | Total | |
| | Tons | Tons | Tons | % | Tons | % | Tons | % | Tons | % | Tons | % | Tons | % | Tons | % |
| New York Cent. & Hud. Riv. | 3.121 | 0 | 3.121 | 13.69 | 36.853 | 14.79 | 1.789 | 4.02 | 38.642 | 13.15 | 1.449.042 | 20.54 | 30.475 | 1.40 | 1.479.517 | 16.04 |
| Erie | 4.470 | 0 | 4.470 | 19.60 | 55.533 | 22.28 | 1.039 | 2.33 | 56.572 | 19.26 | 1.480.350 | 20.99 | 48.711 | 2.24 | 1.529.061 | 16.57 |
| Pennsylvania | 3.763 | 407 | 4.170 | 18.29 | 37.409 | 15.01 | 15.806 | 35.48 | 53.215 | 18.11 | 684.410 | 9.70 | 1.080.996 | 49.76 | 1.765.406 | 19.14 |
| Baltimore & Ohio | 2.186 | 142 | 2.328 | 10.21 | 24.343 | 9.77 | 11.602 | 26.04 | 35.945 | 12.24 | 359.297 | 5.09 | 489.943 | 22.56 | 849.240 | 9.21 |
| West Shore | 0 | 0 | 0 | 0.00 | 864 | 0.35 | 20 | 0.05 | 884 | 0.30 | 564.163 | 8.00 | 1.712 | 0.08 | 565.875 | 6.13 |
| Lehigh Valley. | 3.274 | 458 | 3.732 | 16.37 | 38.847 | 15.59 | 6.286 | 14.11 | 45.133 | 15.36 | 868.839 | 12.32 | 226.619 | 10.43 | 1.095.458 | 11.87 |
| Del. Lack. & Western. | 3.525 | 0 | 3.525 | 15.46 | 30.072 | 12.06 | 326 | 0.73 | 30.398 | 10.35 | 578.019 | 8.20 | 56.015 | 2.58 | 634.034 | 6.87 |
| New York, Ontario & Wn. | 117 | 0 | 117 | 0.51 | 1.920 | 0.77 | 0 | 0.00 | 1.920 | 0.65 | 196.698 | 2.79 | 261 | 0.01 | 196.959 | 2.14 |
| Central R. R. of N. J. | 130 | 0 | 130 | 0.57 | 3.442 | 1.38 | 0 | 0.00 | 3.442 | 1.17 | 153.200 | 2.17 | 0 | 0.00 | 153.200 | 1.66 |
| Western Maryland. | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 37 | 0.00 | 37 | 0.00 |
| Chesapeake & Ohio. | 273 | 0 | 273 | 1.20 | 7.660 | 3.07 | 6.320 | 14.19 | 13.980 | 4.76 | 294.798 | 4.18 | 148.073 | 6.68 | 439.871 | 4.77 |
| Norfolk & Western. | 896 | 40 | 936 | 4.10 | 12.292 | 4.93 | 1.359 | 3.05 | 13.651 | 4.65 | 424.534 | 6.02 | 92.462 | 4.26 | 516.996 | 5.60 |
| Total. | 21.755 | 1.047 | 22.802 | 100.00 | 249.235 | 100.00 | 44.547 | 100.00 | 293.782 | 100.00 | 7.053.350 | 100.00 | 2,172.304 | 100.00 | 9.225.654 | 100.00 |
| Philadelphia & Reading | | 477 | 477 | 2.09 | | | 10.711 | 24.04 | 10.711 | 3.65 | | | 376.615 | 17.34 | 376.615 | 4.08 |

C. & O. and N. & W. tonnage subject to revision.

H. C. BLYE,
General Agent.

# L. V. R. R. CO. EXHIBIT NO. 64.

FORM NO. 216-R. D.

REPORT No. 3643

OFFICE OF THE TRUNK LINE ASSOCIATION,
(REPORT DEPARTMENT),
NEW YORK, July 8th, 1914.

## SUGAR SHIPMENTS FROM NEW YORK CITY AND PHILADELPHIA
TO AND BEYOND THE WESTERN TERMINI OF THE TRUNK LINES.

| Roads. | June 16th to 23rd, 1914 | | | | From January 1st to June 23rd, 1914 | | | | | | From April 1st, 1898 to June 23rd, 1914 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | From New York City | From Philadelphia | Total | | From New York City | | From Philadelphia | | Total | | From New York City | | From Philadelphia | | Total | |
| | Tons | Tons | Tons | % | Tons | % | Tons | % | Tons | % | Tons | % | Tons | % | Tons | % |
| New York Cent. & Hud. Riv. | 1.694 | 301 | 1.995 | 9.36 | 36.951 | 14.97 | 3.703 | 4.00 | 40.654 | 11.98 | 1.527.047 | 20.19 | 35.990 | 1.55 | 1.563.037 | 15.80 |
| Erie. | 2.506 | 618 | 3.124 | 14.66 | 48.080 | 19.48 | 4.522 | 4.88 | 52.602 | 15.50 | 1.581.298 | 20.90 | 54.307 | 2.33 | 1.635.605 | 16.53 |
| Pennsylvania. | 2.555 | 3.176 | 5.731 | 26.90 | 33.494 | 13.57 | 34.199 | 36.93 | 67.693 | 19.95 | 761.702 | 10.07 | 1,144.136 | 49.15 | 1.905.838 | 19.27 |
| Baltimore & Ohio. | 1.264 | 1.954 | 3.218 | 15.10 | 17.428 | 7.06 | 25.041 | 27.04 | 42.469 | 12.51 | 397.548 | 5.26 | 533.967 | 22.94 | 931.515 | 9.42 |
| West Shore. | 0 | 0 | 0 | 0.00 | 542 | 0.22 | 322 | 0.35 | 864 | 0.25 | 565.162 | 7.47 | 2.034 | 0.09 | 567.196 | 5.73 |
| Lehigh Valley. | 1.537 | 821 | 2.358 | 11.07 | 39.668 | 16.07 | 13.089 | 14.13 | 52.757 | 15.54 | 953.531 | 12.61 | 246.384 | 10.59 | 1.199.915 | 12.13 |
| Del., Lack. & Western | 1.858 | 80 | 1.938 | 9.10 | 34.375 | 13.93 | 1.738 | 1.88 | 36.113 | 10.64 | 647.254 | 8.56 | 58.710 | 2.52 | 705.964 | 7.14 |
| New York, Ontario & Wn. | 39 | 0 | 39 | 0.18 | 902 | 0.37 | 0 | 0.00 | 902 | 0.27 | 198.400 | 2.62 | 261 | 0.01 | 198.661 | 2.01 |
| Central R. R. of N. J. | 262 | 0 | 262 | 1.23 | 7.627 | 3.09 | 0 | 0.00 | 7.627 | 2.25 | 166.019 | 2.19 | 0 | 0.00 | 166.019 | 1.68 |
| Western Maryland. | 0 | 211 | 211 | 0.99 | 0 | 0.00 | 921 | 0.99 | 921 | 0.27 | 0 | 0.00 | 1.176 | 0.05 | 1.176 | 0.01 |
| Chesapeake & Ohio. | 374 | 803 | 1.177 | 5.52 | 10.283 | 4.17 | 7.670 | 8.28 | 17.953 | 5.29 | 311.070 | 4.11 | 154.499 | 6.64 | 465.569 | 4.71 |
| Norfolk & Western. | 879 | 377 | 1.256 | 5.89 | 17.440 | 7.07 | 1.406 | 1.52 | 18.846 | 5.55 | 455.459 | 6.02 | 96.141 | 4.13 | 551.600 | 5.57 |
| Total. | 12.968 | 8.341 | 21.309 | 100.00 | 246.790 | 100.00 | 92.611 | 100.00 | 339.401 | 100.00 | 7.564.490 | 100.00 | 2.327.605 | 100.00 | 9.892.095 | 100.00 |
| Philadelphia & Reading | | 2.429 | 2.429 | 11.40 | | | 27.793 | 30.01 | 27.793 | 8.19 | | | 415.647 | 17.86 | 415.647 | 4.20 |

C. & O. and N. & W. tonnage subject to revision.

H. C. BLYE,
General Agent.

L. V. R. R. EXHIBIT NO. 64.

2317

9268 9267 9266 9265

# L. V. R. R. EXHIBIT NO. 65.

FREIGHT TRAFFIC—TONS

YEAR ENDING JUNE 30TH, 1913.

From I. C. C. Reports.

| COMMODITY | L. V. | C. R. R. | D. L. & W. | B. & O. | Erie | P. R. R. | P. & R. | N. Y. C. | D. & H |
|---|---|---|---|---|---|---|---|---|---|
| Grain | 1,459,586 | 129,176 | 1,111,354 | 2,101,121 | 1,439,480 | 1,983,578 | 735,303 | 3,046,288 | 352,648 |
| Flour | 651,614 | 92,395 | 260,141 | 455,303 | 318,381 | 811,885 | 355,090 | 980,161 | 167,642 |
| Other Mill Products | 322,832 | 73,336 | 267,856 | 521,931 | 584,371 | 962,757 | 302,842 | 880,929 | 230,937 |
| Hay | 244,057 | 51,698 | 91,923 | 260,193 | 213,093 | 379,770 | 106,732 | 478,826 | 62,615 |
| Tobacco | 6,813 | 8,975 | 12,980 | 52,255 | 23,672 | 147,053 | 33,003 | 17,962 | 3,737 |
| Cotton | 33,910 | 4,664 | 61,515 | 20,179 | 21,984 | 96,610 | 30,122 | 130,708 | 4,128 |
| Fruit and Vegetables | 227,527 | 165,074 | 333,464 | 504,280 | 502,262 | 1,537,744 | 309,267 | 1,205,387 | 175,334 |
| Other Products | 122,693 | ..... | 270,034 | 103,885 | ..... | 463,700 | 124,455 | 319,654 | ..... |
| TOTAL PRODUCTS OF AGRICULTURE | 3,069,032 | 525,318 | 2,409,267 | 4,021,147 | 3,103,243 | 6,383,097 | 1,996,814 | 7,059,915 | 997,041 |
| Per Cent from Connections | 82.08 | 62.76 | 55.43 | 44.35 | 74.06 | 74.04 | 83.73 | 75.13 | 84.10 |
| Per Cent of Total Tonnage | 9.48 | 1.77 | 9.70 | 5.55 | 7.57 | 4.49 | 3.38 | 12.70 | 4.88 |
| Live Stock | 151,057 | 105,584 | 51,806 | 426,428 | 164,027 | 473,409 | 169,557 | 520,082 | 25,594 |
| Dressed Meats | 178,854 | 30,735 | 108,704 | 135,383 | 191,154 | 271,570 | 138,501 | 386,131 | 76,172 |
| Other Packing House Products | 123,920 | 30,442 | 27,648 | 152,634 | 95,463 | 114,936 | 31,291 | 325,254 | 75,881 |
| Poultry, Game and Fish | 12,580 | 41,741 | 59,663 | 22,020 | ..... | 62,985 | 18,896 | 156,055 | 3,995 |
| Wool | 12,422 | 5,325 | 13,837 | 12,827 | ..... | 35,077 | 36,368 | 91,511 | 10,209 |
| Hides and Leather | 45,044 | 41,387 | 32,373 | 70,019 | 87,491 | 160,493 | 62,549 | 151,880 | 45,402 |
| Other Products | 200,215 | ..... | 93,996 | 32,616 | 76,755 | 262,688 | 364,840 | 792,862 | ..... |
| TOTAL PRODUCTS OF ANIMALS | 724,092 | 255,214 | 387,997 | 851,927 | 614,890 | 1,381,158 | 822,002 | 2,423,775 | 237,253 |
| Per Cent from Connections | 64.81 | 59.62 | 75.04 | 29.16 | 66.25 | 75.30 | 65.11 | 61.97 | 73.22 |
| Per Cent of Total Tonnage | 2.24 | 0.86 | 1.56 | 1.17 | 1.50 | 0.95 | 1.39 | 4.36 | 1.16 |
| Anthracite Coal | 14,732,949 | 10,783,014 | 10,403,262 | 1,287,395 | 10,142,467 | 11,019,787 | 14,403,303 | 7,142,611 | 9,160,915 |
| Bituminous Coal | 2,730,221 | 6,120,565 | 2,156,225 | 31,805,543 | 7,650,400 | 47,622,758 | 18,049,268 | 13,722,026 | 2,243,865 |
| Coke | 432,237 | 423,462 | 319,258 | 4,801,786 | 1,215,568 | 16,613,956 | 1,515,286 | 935,984 | 158,963 |
| Ores | 725,484 | 996,252 | 129,177 | 3,971,987 | 3,242,550 | 4,613,391 | 2,218,528 | 839,159 | 804,347 |
| Stone, Sand, etc. | 1,902,751 | 1,750,145 | 1,852,780 | 5,353,962 | 1,961,982 | 10,523,460 | 2,347,275 | 3,272,158 | 739,964 |
| Other Products | 146,611 | ..... | 197,947 | 306,737 | ..... | 1,017,436 | 456,179 | 475,691 | ..... |
| TOTAL PRODUCTS OF MINES | 20,670,253 | 20,073,438 | 15,058,649 | 47,527,410 | 24,212,967 | 91,410,788 | 38,989,839 | 26,387,629 | 13,108,054 |
| Per Cent from Connections | 19.97 | 44.08 | 21.98 | 25.82 | 52.67 | 22.01 | 59.87 | 61.88 | 25.15 |
| Per Cent of Total Tonnage | 63.86 | 67.59 | 60.64 | 65.59 | 60.28 | 69.11 | 66.08 | 47.48 | 64.12 |

# L. V. R. R. EXHIBIT NO. 65—(Continued).

FREIGHT TRAFFIC—TONS
YEAR ENDING JUNE 30TH, 1913.
From I. C. C. Reports.

| COMMODITY | L. V. | C. R. R. | D. L. & W. | B. & O. | Erie | P. R. R. | P. & R. | N. Y. C. | D. & H. |
|---|---|---|---|---|---|---|---|---|---|
| Lumber | 642,800 | 514,236 | 604,659 | 2,644,252 | 1,137,381 | 4,286,607 | 1,926,263 | 1,833,120 | 1,068,401 |
| Other Products | 302,576 | 3,752 | 112,545 | 419,348 | 455,772 | 1,228,246 | 74,646 | 1,704,848 | ..... |
| TOTAL PRODUCTS OF FOREST | 945,376 | 517,988 | 717,199 | 3,063,600 | 1,593,153 | 5,523,953 | 2,000,909 | 3,537,968 | 1,068,401 |
| Per Cent from Connections | 68.57 | 73.62 | 68.50 | 49.43 | 65.07 | 67.05 | 85.27 | 55.93 | 76.92 |
| Per Cent of Total Tonnage | 2.92 | 1.74 | 2.89 | 4.23 | 3.87 | 3.87 | 3.39 | 6.37 | 5.23 |
| Petroleum and Other Oils | 394,170 | 464,397 | 132,539 | 927,430 | 687,379 | 1,248,184 | 472,616 | 603,895 | 155,947 |
| Sugar | 164,997 | 48,817 | 122,299 | 243,704 | 147,783 | 349,596 | 184,008 | 394,397 | 21,170 |
| Naval Stores | ..... | 34,498 | 738 | 43,564 | ..... | 90,183 | ..... | 68,320 | ..... |
| Iron, Pig and Bloom | 450,304 | 654,201 | 486,306 | 974,827 | 950,020 | 3,028,206 | 1,399,682 | 793,369 | 167,225 |
| Iron and Steel Rails | 440,865 | 286,404 | 58,883 | 231,050 | 275,862 | 622,078 | 286,072 | 182,328 | 63,678 |
| Other Castings and Machinery | 212,103 | 214,139 | 316,001 | 1,759,669 | 357,236 | 3,776,781 | 637,284 | 1,276,328 | 217,472 |
| Bar and Sheet Metal | 296,642 | 811,615 | 192,053 | 2,748,261 | 967,438 | 3,798,613 | 2,047,576 | 1,221,713 | 226,797 |
| Cement, Brick and Lime | 1,684,307 | 2,002,187 | 1,414,217 | 3,159,918 | 979,959 | 3,970,715 | 2,319,698 | 2,985,476 | 596,668 |
| Agricultural Implements | 62,414 | 7,772 | 83,943 | 61,584 | 63,998 | 107,579 | 43,242 | 145,830 | 18,866 |
| Wagons, Carriages, etc. | 27,270 | 26,128 | 37,677 | 50,272 | ..... | 157,074 | 41,540 | 214,406 | 9,193 |
| Wines, Liquors and Beers | 70,039 | 125,047 | 104,692 | 179,283 | 94,310 | 179,425 | 129,808 | 421,627 | 58,059 |
| Household Goods and Furniture | 40,382 | 15,940 | 51,071 | 54,220 | ..... | 126,314 | 46,146 | 202,784 | 28,762 |
| Other Manufactures | 534,037 | 309,704 | 950,783 | 1,749,261 | 2,121,504 | 5,659,256 | 1,925,783 | 6,979,585 | 1,141,822 |
| TOTAL MANUFACTURED | 4,377,530 | 5,000,937 | 3,951,202 | 12,183,043 | 6,645,529 | 23,114,006 | 9,543,555 | 15,170,056 | 2,707,657 |
| Per Cent from Connections | 51.02 | 48.95 | 48.96 | 30.54 | 46.70 | 39.59 | 49.63 | 46.86 | 51.08 |
| Per Cent of Total Tonnage | 13.52 | 16.84 | 15.91 | 16.81 | 16.13 | 16.23 | 16.18 | 27.29 | 13.24 |
| MERCHANDISE | 1,347,651 | 1,286,629 | 1,128,665 | 1,880,904 | 2,349,022 | 1,919,157 | 3,325,157 | ..... | 439,880 |
| Per Cent from Connections | 49.01 | 42.84 | 36.74 | 26.60 | 39.07 | 52.41 | 78.30 | ..... | 81.24 |
| Per Cent of Total Tonnage | 4.17 | 4.33 | 4.54 | 2.60 | 5.71 | 1.35 | 5.64 | ..... | 2.15 |
| MISCELLANEOUS | 1,233,862 | 2,040,611 | 1,180,209 | 2,933,033 | 2,469,189 | 12,833,072 | 2,324,734 | 1,092,744 | 1,884,964 |
| Per Cent from Connections | 46.09 | 37.53 | 33.87 | 27.09 | 42.64 | 37.31 | 41.32 | 30.17 | 78.07 |
| Per Cent of Total Tonnage | 3.81 | 6.87 | 4.76 | 4.05 | 4.94 | 9.00 | 3.94 | 1.80 | 9.22 |
| TOTAL TONNAGE | 32,367,786 | ⊕29,700,135 | 24,833,198 | 72,461,064 | 40,987,993 | 142,565,231 | 59,003,010 | 55,582,087 | 20,443,210 |
| Per Cent from Connections | 34.68 | 45.37 | 33.02 | 28.74 | 32.75 | 31.24 | 60.26 | 38.52 | 40.81 |

1/28/14

⊕ Exclusive of 4,508,187 tons of passing over freight which are included on the report of the I. C. C. under Miscellaneous.

9277 **L. V. R. R. EXHIBIT NO. 66.**
COPY

July 3, 1914.
14209

Eugene W. Leake, Esq.,
239 Washington Street,
Jersey City, N. J.

My dear Mr. Leake:—

9278 Replying to your letter of June 30th, about the shipping of coal by the Wertheims over the Pennsylvania Railroad, I beg to advise that this Company will make no claim, by reason of such practice, under the so-called shipping clause or the tonnage clause in the leases. As a matter of fact, I understand that, for several years past, a large tonnage has moved over the Jersey Central which has been switching into the Wertheim trestle, and no claim has been made that it involved a violation of the lease.

9279 The observance of these clauses in the Wertheim leases, or in any other lease in which they appeared as a kind of relic of old times, has never been insisted upon or even urged by our officials, because, to the extent that such clauses appeared in leases made in former years, they have been looked upon as dead letters.

Yours very truly,
(Signed)—E. H. Boles,
General Solicitor.

9280 (Note: *See L. V. R. R. Exhibit No. 6.*)

## L. V. R. R. EXHIBIT NO. 67. 9281

DISTRICT COURT OF THE UNITED STATES

For the Western District of New York.

| | |
|---|---|
| UNITED STATES OF AMERICA | Indictment |
| vs. | No. 930. |
| LEHIGH VALLEY RAILROAD COMPANY. | 3/20/14. |

## CHARGE OF THE COURT.

9282

Filed June 30, 1914.

S. W. PETRIE, Clerk.

Gentlemen of the Jury:

The defendant the Lehigh Valley Railroad Company, a citizen of the State of Pennsylvania, has been indicted by a grand jury of this court charged in eleven counts with granting concessions to the Yates-Lehigh Coal Company, on shipments from Coxton, Pa., to Buffalo, N. Y., in violation of the Interstate Commerce Act of April 4, 9283
1887, and the evidence to substantiate the charge, together with that in opposition thereto, is about to be submitted to you for your consideration and decision. At this time the duty devolves upon me of expounding and explaining to you the law that applies to this controversy, while it is your sole duty to apply the facts to the law. It is your duty to weigh the evidence, to weigh it carefully, compare the testimony of one witness with another for the purpose of ascertaining where the truth lies, because in this case, as in most other cases that are 9284
tried of a criminal nature, the guilt or innocence of the accused depends upon conflicting testimony and your ability to harmonize and reconcile it, with a view of establishing the truth. If the contention on the part of the Government is true and the testimony given in its behalf is more reliable than that of the testimony of the defendant, then you may well find that this defendant has violated the statute to which I have referred. On the other hand, if you believe that the testimony of the defendant with reference to the salient features to which I shall

9285 soon direct your attention outweighs that of the Government; in short, if you believe that the Government has not maintained the burden of proof which the law places upon it, to establish all of the essential elements of the offense, and to establish them, gentlemen, beyond a reasonable doubt, then it is your duty to acquit this defendant. Though this indictment contains eleven counts charging eleven separate and distinct offenses committed from April, 1909, to the date of the indictment, January 13, 1913, yet it is wholly within your right to find this
9286 defendant guilty of only one count, or more counts less than the total number of counts or to acquit the defendant, as in your judgment the evidence warrants. The theory of the Government with respect to these various counts is that each time the quarterly rental was paid constituted a separate offense. I instruct you that such is the law, if you believe, however, that the payments were a concession or undue preference in respect to the transportation of coal in interstate commerce.

At the close of the Government's testimony, as well as at the close of taking testimony in the case in its entirety,
9287 Counsel for defendant moved for a dismissal of the indictment, it being contended by him that the facts were totally insufficient to justify you in finding that the offense had been committed. I wish to state at this time that you are not to draw any inferences against the defendant from my refusal to dismiss the indictment because that action on my part simply implies that there is a dispute of fact disclosed by the evidence, which in my judgment it is your duty to reconcile. In alluding to the facts and in order to make my instructions more clear, I
9288 intend to do so in a general way, and perhaps I may express my opinion with reference to some of the oral testimony that has been given, but, gentlemen, you are not to accept my opinion with reference to any of the testimony, but you are to be guided wholly by your separate and individual impressions, unless any opinion that I may express conforms to that which you entertain. In order to fully understand the nature of the offense charged in the indictment, I think that it would not be inapt if you understood in a general way the object and

purposes of this enactment. An act to regulate inter- 9289
state shipments was passed as early as 1887. Prior to
that time, and even thereafter, there was much fault
found of the manner in which railway companies trans-
ported property interstate, it being claimed—and I
might say it is now practically admitted—that formerly
railroad companies gave rebates on shipments, draw-
backs, and remittances, transported the property of one
shipper interstate at a less sum than that of another, and
gave it concessions, and generally practiced a method of
favoritism which became marked, to the extent that Con- 9290
gress took notice of such actions on the part of the rail-
road companies and enacted the law under which this in-
dictment has been found. The law has been amended,
notably by the so-called Elkins Act, and later by the Hep-
burn Act, all with a view of broadening its scope and
making it more comprehensive and remedying existing
evils, to the end that all favoritism in transporting com-
merce interstate, should be obliterated or eradicated, and
also to the end that all shippers of merchandise should
be treated alike, should be upon a footing of equality;
and to that end, the act to which your attention is drawn 9291
requires railway companies to file with the Interstate
Commerce Commission a schedule of rates on all mer-
chandise, and it is required that such schedule of rates
be published, to the end that the shipper may be pro-
tected and to the end that he may know what the uniform
price for transporting property is, and to the end that
the railroad company may be required to give equal
treatment to all. Hence, gentlemen, a lease of lands and
a trestle, to facilitate the shipping and handling of coal,
at a rental appreciably less than the rental value, as a 9292
method of reducing the rate charges or affecting the pub-
lished rate, is unlawful. It must not be understood that
it is unlawful for the railway company to give a low
rental of its premises and the trestle in question. The
fact does not consist of merely giving a low rental, but
the Government is required to establish to your satisfac-
tion, and beyond a reasonable doubt, that such low rental
was given in connection with the transportation of mer-
chandise and that it was given for the purpose of

9293 giving to the Yates-Lehigh Coal Company the concession or preference or undue advantage over other shippers, or in the handling of the coal at its station at Buffalo, N. Y. The claim of the Government is that the method adopted in this case operated as the equivalent of lessening the lawful freight rate, or of giving an undue privilege or preference to the shipper, that the giving of a low rental for the land and trestle on Louisiana street was a subterfuge or device, by which the defendant was given an undue preference or advantage over other coal
9294 shippers with respect to the shipment of coal. In order to insure equality of service in tariff rates, a carrier in this case was required to exact a rental of the premises and trestle which would represent the reasonable rental value of premises of that character, taking into consideration its purpose and location, its facilities and conveniences for the transaction of the coal business; and the defendant could not lawfully reduce the rental to a nominal amount or a grossly inadequate amount, thus conferring an undue preference or concession, and in this
9295 way practically avoiding its published tariff rates in favor of its tenant.

From what I have already stated, you will see that the liability of the defendant, if you find that there is a liability, really comes within a narrow field, as both counsel have already stated to you. That is to say, it depends wholly upon whether you believe from this evidence that the rental exacted of the Yates-Lehigh Coal Company by the defendant was nominal or was so grossly inadequate, that the presumption formed from the facts and
9296 circumstances is that it was the intention of the railway company to give to such shipper a preference or undue advantage. The statute under consideration not only makes it an offense for a railway company to give a rebate, a concession or an undue preference, but it also makes it an offense for a shipper to receive a rebate, concession or advantage. It is not only, as I have intimated, the giving of rebates, but the statute also forbids the giving of any other advantage. Of course if you find from the evidence that the defendant knowingly gave to the Yates-Lehigh Coal Company a grossly reduced and in-

adequate rental as claimed by the Government, then it 9297
gave to its tenant an undue preference with reference to shipments and transportations specified in the indictment, for its published tariff of rates makes no mention of any such concession as is the subject of this controversy. Therefore the principal question arises out of the lease and the rental that is required to be paid thereunder, $250 per annum.

Now, gentlemen, the statute provides that a person or corporation shall not be held guilty of this offense unless it is committed knowingly, which implies that it shall 9298
be committed intentionally. The law is that a railroad company is not liable for infractions of the statutes unless it knowingly gives a rebate, concession or discrimination, which term you may conclude includes a preference or advantage over other shippers of coal in this city; and this provision of the statute makes it obligatory upon you to ascertain the knowledge or intent with which the lease in question was made, whether it was knowingly or purposely made. Knowledge is imputed to the defendant company of the reasonable value of the rental, 9299
and if notwithstanding this knowledge, it gave to the Yates-Lehigh Coal Company a nominal rental or a rental grossly low in comparison with the actual rental value of the premises and in this way purposely reduced the established tariff, then the offense is complete. Provided, however, you believe that the Government has proven this beyond a reasonable doubt. And I may state in passing, if I have not already done so, that all the essential elements of the offense must conform to such a character of proof. It is not necessary that it shall be shown that 9300
the Lehigh Valley Railroad Company committed an act which involved moral turpitude, or that what was done was maliciously done or with an evil intention. It is sufficient, gentlemen, inasmuch as it is a statutory offense, that what was done was purposely done. If it was known at the time the lease was drawn that the object of it was to give a nominal rental or a low rental for the purpose of giving a concession or a preference, then you may conclude that what was done was knowingly done and there was an intention to violate the statute. But, gentlemen,

9301 it is not enough that the rental was cheap or low. The railroad company had the right to give a cheap or low rental if it so desired; but it is that, in connection with the general accusation that what was done was done to aid the Yates-Lehigh Coal Company in its business and to give to it a preference or advantage which other shippers did not obtain under the schedule of tariffs published and filed. You must examine into the substance of the lease, to see if it was given to evade the statute and with the object of giving a concession or an undue
9302 preference in relation to any of these shipments which are specified in the indictment. Of course, gentlemen, if you are satisfied from the evidence that there was no intent to violate the statute, that the making of the lease at a low rental was an inadvertence or mistake, or unaccompanied by the other elements to which I have called your attention, that there was no intention to give a preference, then manifestly the defendant should not be convicted.

Now, gentlemen, upon the question of knowledge and intent to violate the statute the Government points to
9303 this clause in the lease which in substance provides by its terms that the lessee was to divert to the defendant its coal transportation over the defendant's line and influence shipments over its line. To this the defendant rejoins that such clause was a stock form put in all of its leases and was meaningless; that it was inserted, as testified to by the witness Foster because before this time it was a thing commonly done, without a wrongful intent, and there was no contemplation to give the lessee, the Yates-Lehigh Coal Company an undue preference or ad-
9304 vantage. This is testimony which you gentlemen are obliged to consider upon the question of intent, but in making up your mind on that subject you must take into consideration all of the surrounding circumstances, to the end that you may do no injustice. But the question of diversion of the traffic is not an essential element of the indictment and should not be confused with the primal accusation in the claim of the Government, namely, that the annual rental exacted under the lease was so grossly reduced from the actual rental, that the

presumption is warranted that there existed an intention 9305
of favoring the lessee. I have stated this several times, but I wish to impress it on your minds, because the essentials of the entire case rest upon what I have just now stated.

The Government places reliance upon the testimony of the witness Winship who appeared before you and asserted his opinion that the annual rental value of this lease should have been $4500, and that the reasonable rental value of the premises in question, with which he testified he was acquainted, was that sum. His testimony 9306
is earnestly criticised by the defendant on the ground that Mr. Winship is engaged in the real estate business in the city of Buffalo and while his familiarity with the sale and rental of ordinary property might be conceded, yet that his unfamiliarity with the coal business and the sale of coal, wholesale or retail, is so marked that you should not give any weight to his testimony; at least that you should not consider it in preference to the weight of the opinion testimony that was given in behalf of the defendant. Whether you should or not, gentlemen, is a
question for your determination, as in addition to such 9307
opinion evidence, the Government alludes to the previous rental of $1600 per annum to the Lehigh Valley Coal Company, and alludes to the amount of five or six hundred dollars taxes that the railway company paid, in support of its contention that Mr. Winship's opinion should be credited by you.

Now on the subject of the diversion of the transportation, as I recollect the evidence, there is nothing to show that there really was a diversion by the Yates-Lehigh
Coal Company to the defendant, or that any influence 9308
was exercised to control shipments over the line of the Lehigh Valley Railroad Company, as specified in the lease, save that it does appear that the coal received at the receiving point on this trestle in question was transported in the regular course from Coxton, Pa., over the defendant's road. This of course in and of itself was not an unlawful thing to do.

Now, gentlemen, I think I should draw your attention more directly to the testimony of the defendant, to the

9309 effect that this was not an unfair rental; to the effect that the rental was reasonable and proper and that no inference of undue preference should be drawn. It is claimed that there are various reasons for accepting the view that this rental was not merely a nominal one, but that the Yates-Lehigh Coal Company paid a sum, in view of all the circumstances, that was reasonable and proper and should not carry with it any inferences of unlawfulness. It is claimed that in this lease it was contemplated that the strip might be used by the railroad company at
9310 any time; that it was at the terminal of the road; that it was contemplated to erect new structures, depots and terminal facilities, and that it contained a clause that the lessee was to vacate the premises on thirty days notice; that the trestle was old, it having been built more than 25 years ago; that it contained a condition that if the lessee sustained any damage; as a result of fire, the lessor should be held harmless, and furthermore that the tenant was obliged, under the terms of the lease, to keep the trestle in repair, and also pay one cent per ton for elevating the cars, and that these were all conditions which
9311 depreciated the rental value of this lease. Mr. Yates says that because of conditions, the margin of profits was small; there was a reluctance on his part to lease premises in this locality, and also to pay a higher rental; that at the time of renting the premises he knew that conditions in that locality as regards the consumption of coal had materially changed; that while formerly it was regarded as a valuable site for the carrying on of a business of this character, yet that in recent years, owing to the use of gas for fuel purposes, owing to the increase
9312 of population in the so-called Elmwood district and the depreciation of the population on the south side of this city, that it really was not a desirable locality to warrant engaging in this business on this particular site, and that on account thereof, because of the additional expense in hauling the coal, this amount of $250 was an adequate sum to pay. In support of this testimony Mr. Stickney testified that in his judgment the trestle was a financial impossibility, as he put it; that the haul was too long to the Elmwood district and he pointed out

various difficulties interfering with the conduct of an 9313
appreciable business at this point; he specialized the up-grade that would be encountered in hauling the product over the viaducts. Moreover he testified that the cost of the haul of coal from this particular place to the district where the hard coal was used, had practically doubled in recent years. Mr. Harley, Mr. Spaulding and Mr. Roberts gave testimony to a similar effect, all of them testifying in substance that the lease had no value and that nothing more than a nominal value should reasonably have been paid or exacted.

I think I need not advert any more fully to the testi- 9314
mony on that subject. I have merely referred to it in order to recall to your minds the salient features thereof. At most it was opinion evidence and you would be entirely justified in rejecting it or any portion of it, disregarding it, and basing your conclusion, whatever it may be, upon your own judgment, as men of common sense and excellent intelligence. But opinion evidence is important, in that it will serve as a guide in your deliberations, if not in your conclusions.

Gentlemen, this is a criminal case and the defendant is 9315
entitled to the presumption of innocence, which is not removed by the indictment of the Grand Jury. It is incumbent upon the Government to establish the guilt of the accused on all of these counts contained in the indictment beyond a reasonable doubt. The burden of proving all of these essential elements is upon it, and if after examining the evidence you cannot say with a moral certainty that the case is proven, then you have a reasonable doubt, to which the benefit belongs to the defendant. On the other hand, if you are satisfied by the evidence 9316
of the Government that, within the rule of evidence stated, it is shown that the payment of $250 in quarterly payments for the rental of these premises, was a concession or preference in connection with the transportation of coal interstate, then it is your duty to find the defendant guilty as charged. I think I have sufficiently instructed you as to the law; I have also sufficiently adverted to the facts to recall your minds to the salient features thereof, but the defendant's attorney has submitted

9317 to me a large number of requests to charge you additionally than I already have, but as I think that I have covered most of them, I will ask him to state such additional instructions as he may think that I ought to give in order to conserve the rights of his client.

Mr. Bass: May it please your Honor, I think you have very fairly covered practically all of them with the possible exception, I do not know that the jury fully appreciate the various elements that they may take into consideration in determining the rental value; that it is not
9318 purely the $250 but it is all the other terms and conditions in the lease, including also the practicability and possibility of securing other tenants on other terms.

The Court: Oh, yes, gentlemen. I have not intended to allude to all of the evidence in the case, nor have I attempted to give all the conditions that the lease contains. I have only singled out those conditions that seem to me to be essential. You will remember them all, take them all into consideration.

Mr. Bass: Further, in connection with the Govern-
9319 ment's own testimony, the examination of Wells corroborates the evidence produced by the defendant on the question of location.

The Court: I do not know whether it corroborates it or not, gentlemen. That is for you to determine.

Mr. Bass: One other matter; that the manner of Mr. Yates' testimony about in fact when he took the thing and paid out his expenses,—are not matters of opinion but matters of fact.

The Court: Well, I cannot charge any more specifically about the facts. You are required to remember all
9320 of the evidence; I am not.

Mr. O'Brian: The Government has no requests-to-charge. We are satisfied.

At 12 o'clock M. the jury retired in charge of sworn bailiffs.

At 3:50 o'clock P. M. the jury returned into court and the following proceedings were had:

The Court: The jury desires additional instructions, and a question, during the absence of the stenographer has been propounded by one of the jurors which I will

repeat, and if I have not correctly understood the juror, 9321
the juror will be requested by the Court to state the question as he originally framed it.

My understanding is, jurors, that you desire to know whether the single question of fact submitted to you by the Court was whether the defendant is guilty of the offense charged in the indictment if you as jurors conclude that the rental price stated in the lease was grossly inadequate?

A Juror: Yes, sir.

The Court: You all understand that to be the ques- 9322
tion upon which you wish additional information?

Now in reply to that I say yes, but you are required to take all the facts into consideration before you reach this conclusion. For instance, you must take into consideration the knowledge that the defendant had at the time of the making of the lease, and the intention with which it is asserted that the misdemeanor was committed. For instance, you must be satisfied not only that the price for the rental of the premises was grossly inadequate, but that the purpose of exacting a grossly inadequate rental
from the lessee was to give a concession or an undue 9323
preference or advantage; and upon that subject you will take into consideration all the facts which are now before you. And in addition to that I think you should take into consideration all the conditions imposed on the lessee, for the purpose of satisfying your minds as to whether this was really a grossly inadequate price. For example, as I have said, you should take into consideration the fact that this was a short lease; that it is claimed to have been unadaptable for the sale of coal to the Elmwood district, and all these other circumstances to which 9324
I called your attention this morning.

Is there anything further?

The Juror: I think not; I think that answers the questions.

At 3:55 o'clock the jury again retired.

At 4:15 o'clock the jury returned into court and say they find a verdict of "Not Guilty."

9325 UNITED STATES OF AMERICA, }
WESTERN DISTRICT OF NEW YORK, } ss.:

I, SIDNEY W. PETRIE, Clerk of the District Court of the United States for the Western District of New York, do hereby certify that I have compared the annexed copy of Charge of Judge to Jury, with the ORIGINAL entered and on file in this office, and that the same is a correct transcript therefrom, and of the whole of said ORIGINAL.

I further certify that I am the officer in whose custody it is required by law to be.

9326 IN TESTIMONY WHEREOF, I have caused the seal of the said Court to be affixed at [SEAL] the City of Buffalo, in said District, this 30th day of June, A. D. 1914.

S. W. PETRIE,
Clerk.

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## L. V. R. R. EXHIBIT NO. 68.

UNITED STATES OF AMERICA, }
WESTERN DISTRICT OF NEW YORK. } ss.

9327 I, SIDNEY W. PETRIE, Clerk of the District Court of the United States for the Western District of New York, do hereby certify that I have compared the annexed copy of Docket Entries .....
with the ORIGINAL entered and on file in this office, and that the same is a correct transcript therefrom, and of the whole of said ORIGINAL.

And I further certify that I am the officer in whose custody it is required by law to be.

9328 IN TESTIMONY WHEREOF, I have caused the seal of the said Court to be affixed at [SEAL.] the City of Buffalo, in said District this 30th day of June, A. D., 1914.

S. W. PETRIE,
*Clerk.*

UNITED STATES DISTRICT COURT. 9329

Title of Case.

THE UNITED STATES OF AMERICA

vs.

LEHIGH VALLEY RAILROAD COMPANY.

Vio. Act Feb. 4, 1887, as amd.

ATTORNEYS: 9330

JOHN LORD O'BRIAN, U. S. Atty.
KENEFICK, COOKE, MITCHELL & BASS, Attys. for Deft.

| Date | | | Proceedings | No. of Words. | Clerk's Fees Plaintiff | Clerk's Fees Defendant. |
|---|---|---|---|---|---|---|
| Dec. | 4 | 1912 | Filed 2 præs. Issd 2 subps. | | | |
| Jan. | 13 | 1913 | Filed Indictment & ent. same | | .10 | |
| " | " | " | Deft arraigned & pleads not guilty with leave to withdraw, &c., | | .15 | 9331 |
| " | " | " | Filing 2 subps | | .20 | |
| Mar. | 14 | 1914 | " præcipe for subpœna | | .10 | |
| " | " | " | Issued 4 subpœnas | | 1.00 | |
| " | " | " | " 2 " | | .50 | |
| " | 17 | " | U. S. Attorney moves trial of case with jury | | | |
| " | 17 | " | Swearing 4 witnesses for U. S. | | .40 | |
| " | 18 | " | " 1 " for deft. | | | .10 |
| " | 19 | " | " 7 " for deft. | | | .70 |
| " | 20 | " | Entered verdict of not guilty for defendant | | | 9332 |
| " | 21 | " | Filed record of acquittal | | .10 | |
| | | | Docket fee | | 3.00 | |
| June | 30 | " | Filed charge of Judge to jury | | | .10 |



## L. V. R. R. EXHIBIT NO. 70.

9337

LEHIGH VALLEY RAILROAD CO.

Philadelphia, June 30, 1905.

Mr. W. C. Alderson,
Treasurer.

Dear Sir:—

I hand you herewith the following certificates of indebtedness from The Lehigh Valley Coal Company to the Lehigh Valley Railroad Company, all dated June 30, 1905:

| Amount of Certificate. | In payment for | 9338 |
|---|---|---|
| $412,000 | Capital stock and property of the Connell Coal Company. | |
| 773,000 | Capital stock and property of the Seneca Coal Company. | |
| 292,000 | Capital stock and property of the Righter Coal Company. | |
| 998,000 | Capital stock of the Warriour Run Mining Co. | |
| 130,000 | Capital stock and property of the Wyoming Coal & Land Company. | 9339 |
| $7,834,000 | For value received ($724,000 account of Hazleton Bonds cancelled. $5,000,000 account Lehigh Valley Coal Company bonds issued under its mortgage of 1897. $2,050,000 account of Lehigh Valley Coal Company Five-Ten Year Coal Pledge Bonds. $60,000 account Wyoming Coal & Land Company First Mortgage Bonds paid off.) | |

Kindly sign these certificates of indebtedness as Treasurer of The Lehigh Valley Coal Company and place in the Treasury of the Lehigh Valley Railroad Company with the balance of the securities owned by that Company. 9340

These certificates will later on be deposited with the Girard Trust Company, Trustee of the General Consolidated Mortgage.

Will you kindly acknowledge receipt.

Yours truly,

J. W. PLATTEN,
Second Vice President.

# L. V. R. R. EXHIBIT NO. 71.

LEHIGH VALLEY RAILROAD COMPANY

ADVANCES TO OTHER COMPANIES FROM 1894 TO 1902, INCLUSIVE.

| NAME | 1894 | 1895 | 1896 | 1897 | 1898 | 1899 | 1900 | 1901 | 1902 |
|---|---|---|---|---|---|---|---|---|---|
| Philadelphia Belt Line Railway Co., | $ 6,384.67 | $ 6,384.67 | $ 6,384.67 | $ [illegible] | $ [illegible] | $ [illegible] | $ [illegible] | $ | $ |
| Lehigh Salt Mining Co., | 200,000.00 | 200,000.00 | 191,000.00 | 183,292.23 | 71,330.91 | 67,782.01 | 60,959.67 | | |
| Locust Mountain Water Co., | | 82,073.68 | 77,842.63 | 71,330.91 | 99,693.93 | 99,693.93 | 99,207.60 | 40,867.98 | 36,768.41 |
| Glen Summit Hotel & Land Co., | | 99,306.66 | 98,693.93 | 99,693.93 | 95.55 | 95.87 | 1,26.00 | | |
| Wright Township Water Co., | | 203.00 | 203.00 | 95.55 | 3,283.70 | 3,283.70 | 888.10 | | |
| Haak Water Co., | | 6,116.67 | 6,102.80 | 3,288.70 | | | 3,299.53 | 3,299.83 | 3,299.83 |
| Buffalo, Thousand Islands & Portland Railroad, | | 120,000.00 | 120,000.00 | 121,000.00 | 121,000.00 | 121,000.00 | 121,000.00 | 121,000.00 | 121,000.00 |
| New York & New Jersey Abattoir, | | 200.00 | 200.00 | 200.00 | | | | | |
| Union Central Coal, Iron & Railroad Co. Stock, | | 100.00 | 100.00 | 1.00 | 1.00 | 1.00 | 2.00 | | |
| Hazleton Water Co., | | 13,694.19 | 117,534.00 | 140,392.65 | 180,663.50 | 193,339.40 | 193,339.40 | 193,339.40 | 193,339.40 |
| New York Air Brake Co., et al., | | 10,960.80 | 6,760.80 | 8,760.80 | 60.00 | | | | |
| Philadelphia Harbor Transfer, | | | | | 8,000.00 | | | | |
| TOTAL, | $200,384.67 | $559,225.77 | $619,799.77 | $636,311.55 | $484,584.52 | $485,919.12 | $476,442.79 | $358,307.21 | $355,007.64 |

9349 **L. V. R. I**

LORD

STATEMENT OF PROPERTY INVESTMENT AND INCOME ACCOUNT, 6?

| | 1904 | 1905 | |
|---|---|---|---|
| PROPERTY INVESTMENT. | a$101,851,116.20 | $100,939,377.39 | $151. |
| OPERATING REVENUE: | | | |
| Coal Revenue, | $ 9,304,517.25 | $ 9,385,791.85 | $ 7 |
| Mdse. Freight Revenue, | 4,981,620.96 | 6,944,362.89 | 1 |
| Passenger Revenue, | 2,002,871.83 | 2,103,052.46 | 2 |
| Mail and Express Revenue, | 224,300.79 | 273,491.25 | |
| Other Operating Revenues, | 434,147.93 | 1,048,596.67 | 1 |
| TOTAL OPERATING REVENUE, | $16,993,257.76 | $19,597,427.37 | $19 |
| 9350 OPERATING EXPENSES, | $11,624,519.21 | $13,749,479.16 | $14 |
| NET OPERATING REVENUE, | $ 4,209,738.55 | $ 4,627,845.10 | $ 4 |
| TAX ACCRUALS, | 253,630.39 | 382,699.21 | |
| OPERATING INCOME, | $ 4,163,305.14 | $ 4,245,250.94 | $ 4 |
| OTHER INCOME RELATING TO OPERATION, | 209,793.56 | 241,959.09 | |
| DEDUCTIONS FROM INCOME RELATING TO OPERATION, | 355,264.63 | 479,491.05 | |
| NET OPERATING INCOME, | $ 3,906,626.07 | $ 4,047,718.98 | $ 4 |
| PER CENT. ON PROPERTY INVESTMENT. | 3.84 % | 4.01 % | 3 |
| OTHER INCOME, | 1,496,202.95 | 1,095,510.66 | |
| TOTAL INCOME, | $ 5,402,829.02 | $ 5,143,733.40 | $ 4 |
| OTHER DEDUCTIONS FROM INCOME, | 4,383,774.55 | 4,884,062.33 | 4 |
| NET CORPORATE INCOME, | $ 1,019,054.47 | $ 260,653.27 | $ |
| PROFIT AND LOSS BALANCE, | $a5,300,667.72 | $a5,041,230.22 | $a5 |
| 9351 Anthracite Tonnage, | 6,306,729 | 12,197,777 | |
| Bituminous Coal and Coke Tonnage | 343,553 | 362,435 | |
| Miscellaneous Freight Tonnage, (all kinds), | 4,067,000 | 5,215,975 | |
| Total Tonnage, | 12,342,541 | 17,746,188 | |
| Number of Passengers carried over Road, | 4,802,980 | 4,474,623 | |
| Average rate per ton per mile on Coal, | 754 Cts. | .690 Cts. | |
| Average rate per ton per mile on all other freight, | .515 " | .579 " | |
| Average rate per passenger per mile, | 2.084 Cts. | 2.030 Cts. | |

aDeficit.

bProperty Investment represents the value of the property (including material and supplies, cash and other adding thereto such expenditures for additions and betterments to the road and equipment used for transportation not include large expenditures of this kind made prior to 1907, nor does the cost shown include at any time, as far funds used for improvements prior to the operation of same, etc. It does not include securities, investments or

9352

9357

# L. V. R. R. EXHIBIT NO. 74.

LEHIGH VALLEY RAILROAD COMPANY

STATEMENT RE PURCHASE OF CAPITAL STOCK OF COXE BROS. & CO. INC. AND DELAWARE, SUSQUEHANNA & SCHUYLKILL RAILROAD COMPANY, SHOWING AMOUNT OF INVESTMENT, CASH OUTLAY, CASH RECEIPTS AND EXCESS OF CASH RECEIPTS OVER CASH OUTLAY, TO JUNE 30, 1913.

INVESTMENT

| | | | |
|---|---|---|---|
| 9358 | Collateral Trust 4% Bonds, dated Nov. 1, 1905, issued to purchase the entire capital stock of Coxe Bros. & Co. Inc., Delaware, Susquehanna & Schuylkill R. R. Co., Drifton Water Co., Oneida Water Co., Beaver Meadow Water Co. and Tomhicken Water Co., | | $19,000,000.00 |
| | Add amount expended in excess of Collateral Trust Bonds issued to accomplish this purchase, (including cost of engraving bonds and services of Trustee) | | 82,828.20 |
| | | | $19,082,828.20 |
| | Deduct<br>Cost of one thousand 100,000-pound capacity new steel coal cars acquired by the L. V. R. R. Co. from funds acquired from these bonds, | | 1,099,430.68 |
| 9359 | | | $17,983,397.52 |
| | Deduct<br>Cash received from Coxe Bros. & Co. Inc., June 27, 1906, being proceeds of current assets of that company at date of purchase, converted into cash and turned over to L. V. R. R. Co., | $2,113,447.41 | |
| | Cash and current assets of D. S. & S. R. R. Co. turned over to L. V. R. R. Co. | 351,740.95 | |
| | Current assets of Water companies turned over to L. V. R. R. Co. | 1,999.90 | 2,467,189.26 |
| | | | $15,516,209.26 |
| 9360 | Cost of capital stock of the four water companies converted June 30, 1910, into Bonds since paying interest at 5% | | 60,000.00 |
| | Net cost of capital stock of Coxe Bros. & Co. Inc. and D. S. & S. R. R. Co. | | $15,456,209.26 |

CASH OUTLAY TO JUNE 30, 1913

| | | |
|---|---|---|
| | Interest on $17,983,397.52 from Nov. 1, 1905 to June 30, 1906 (date cash received from Coxe Bros. & Co. as above) @4% per annum, | 479,557.27 |

## L. V. R. R. EXHIBIT NO. 74—(Continued). 9361

CASH OUTLAY TO JUNE 30, 1913 cont'd

| | | |
|---|---|---|
| Interest on $15,516,209.26 from July 1, 1906 to June 30, 1910 (date of sale of water company stocks as above) @4% per annum, | | $2,482,593.48 |
| Interest on $15,456,209.26 from July 1, 1910 to June 30, 1913 @ 4% per annum, | | 1,854,745.11 |
| Total Interest Chargeable, | | $4,816,895.86 |

9362

Cash payments in retirement of Collateral Trust 4% Bonds

| | | |
|---|---|---|
| August 1, 1907 | $500,000.00 | |
| February 1, 1908 | 500,000.00 | |
| August 1, 1908 | 500,000.00 | |
| February 1, 1909 | 500,000.00 | |
| August 1, 1909 | 500,000.00 | |
| February 1, 1910 | 500,000.00 | |
| August 1, 1910 | 500,000.00 | |
| February 1, 1911 | 500,000.00 | |
| August 1, 1911 | 500,000.00 | |
| February 1, 1912 | 500,000.00 | |
| August 1, 1912 | 500,000.00 | |
| February 1, 1913 | 500,000.00 | |
| | | $6,000,000.00 |

9363

| | | |
|---|---|---|
| Add amount expended in excess of Collateral Trust Bonds issued, | | 82,828.20 |
| | | $10,899,724.06 |

Less

| | | |
|---|---|---|
| Cash received from Coxe Bros. & Co. Inc., and D. S. & S. R. R. Co. and from sale of Water Company property as above, | $2,527,188.26 | |
| and cost of one thousand 100,000-pound capacity steel coal cars, | 1,099,430.68 | 3,626,618.94 |
| Total Net Cash Outlay to June 30, 1913, | | $7,273,105.12 |

9364

CASH RECEIPTS TO JUNE 30, 1913

Actual Revenue accruing to the L. V. R. R. Co. on anthracite coal moved over the D. S. & S. R. R. Co. tracks from November 1, 1905 to June 30, 1913, based on application of rates allowed the D. S. & S. R. R. Co. by the P. R. R. Co. and L. V. R. R. Co. prior to the purchase of the D. S. & S. R. R. Co. by the L. V. R. R. Co., Statement "C" attached,

2341

9365 **L. V. R. R. EXHIBIT NO. 74—(Continued).**

CASH RECEIPTS TO JUNE 30, 1913—Cont'd

| | | |
|---|---|---|
| November 1, 1905 to June 30, 1906 | $455,291.00 | |
| Year ended June 30, 1907, | 778,136.00 | |
| " " " " 1908, | 749,464.00 | |
| " " " " 1909, | 598,699.00 | |
| " " " " 1910, | 534,607.00 | |
| " " " " 1911, | 611,177.00 | |
| " " " " 1912, | 621,975.00 | |
| " " " " 1913, | 736,675.00 | |
| | | $5,086,024.00 |

9366 Revenue collected from the P. R. R. Co. by the L. V. R. R. Co. for use of 8.03 miles of track of the D. S. & S. R. R. Co. by P. R. R. Co. trains between New Boston Junction and Tomhicken, from July 1, 1909 to June 30, 1913, based on ratio of above track miles to total tracks used, viz: 16.94%

| | | |
|---|---|---|
| Year ended June 30, 1910, | 21,170.00 | |
| " " " " 1911, | 19,690.00 | |
| " " " " 1912, | 21,822.00 | |
| " " " " 1913, | 24,971.00 | |
| | | $ 87,653.00 |

9367 Merchandise freight revenue accruing to L. V. R. R. Co. from P. R. R. Co. on freight interchanged applicable to the D. S. & S. R. R. for use of the 8.03 miles of track, as follows:

| | | |
|---|---|---|
| Nov. 1, 1905 to June 30, 1906, | $ 1,748.00 | |
| Year ended June 30, 1907, | 4,079.00 | |
| " " " " 1908 | 3,301.00 | |
| " " " " 1909 | 2,292.00 | |
| " " " " 1910, | 4,620.00 | |
| " " " " 1911, | 2,380.00 | |
| " " " " 1912, | 2,602.00 | |
| " " " " 1913, | 3,576.00 | |
| | 24,598.00 | |

9368 Estimated merchandise freight revenue accruing to L. V. R. R. Co. from the D. S. & S. R. R. Co. (which, since the purchase of same has been consolidated with the L. V. R. R. Co. and which therefore cannot be exactly determined) based on the merchandise freight revenue of the D. S. & S. R. R. Co. for the 28 months from July 1, 1903 to October 31, 1905, being the last period during which the property was operated separately, viz:

| | | |
|---|---|---|
| Total revenue for 28 months | $38,706.49 | |
| Average per month | 1,382.37 | |
| Estimated earnings from Nov. 1, 1905 to June 30, 1913-92 months @ $1,382.37 | $127,175.00 | |
| Total Merchandise Freight Revenue of the D. S. & S. R. R. from Nov. 1, 1905 to June 30, 1913 | | $ 151,773.00 |

## L. V. R. R. EXHIBIT NO. 74—(Continued). 9369

CASH RECEIPTS TO JUNE 30, 1913—Cont'd.

| | | |
|---|---|---|
| Total revenue accruing to L. V. R. R. Co. from operation of D. S. & S. R. R. | | $5,325,450.00 |
| Less cost of operation to L. V. R. R. as per detailed statement "A" attached 10,639,644 tons @ 10.75c per ton, | | 1,143,761.73 |
| Net revenue accruing to L. V. R. R. Co. from Nov. 1, 1905 to June 30, 1913, from operation of D. S. & S. R. R. | | $4,181,688.27 |
| | | 9370 |
| Cash Dividends received from Coxe Bros. & Co. Inc. | | |
| November 1, 1905 to June 30, 1906, | $357,215.15 | |
| Year ended June 30, 1907, | 447,254.48 | |
| " " " " 1908, | 391,895.00 | |
| " " " " 1909, | 284,868.46 | |
| " " " " 1910, | 339,623.58 | |
| " " " " 1911, | 404,178.45 | |
| " " " " 1912, | 548,772.78 | |
| " " " " 1913, | 556,490.41 | |
| | | $ 3,330,298.31 |
| Interest accrued to June 30, 1913, on the amount of Cash Receipts as per statement "B" attached, | | 426,147.56 |
| | | 9371 |
| Total receipts from property acquired by purchase of Coxe Bros. & Co. Inc. and D. S. & S. R. R. Co. from Nov. 1, 1905 to June 30, 1913, | | $ 7,938,134.14 |

SUMMARY—TO JUNE 30, 1913

| | |
|---|---|
| Cash Receipts | $7,938,134.14 |
| Cash Outlay | 7,273,155.12 |
| Cash Receipts in excess of Cash Outlay | $ 664,979.02 |

9372

9373 **L. V. R. R. EXHIBIT NO. 74—(Continued).** "A"

LEHIGH VALLEY RAILROAD STATEMENT SHOWING "COST" OF COLLECTING AND ASSEMBLING COAL ON THE DELAWARE, SUSQUEHANNA & SCHUYLKILL R. R. FISCAL YEAR ENDED JUNE 30th, 1904-1905.

| | 1904 | | 1905 | |
|---|---|---|---|---|
| "A" Maintenance of Way & Structures (per reports to I. C. C.) | $44,197.67 | | $58,822.86 | |
| Total, | | $44,197.67 | | $58,822.86 |
| "B" Maintenance of Equipment, Repairs to locomotives (6) at 10.97 | | | | |
| 9374 11.67 cents per locomotive mile (per L. V. R. R. Co. Annual Reports) 5 in service 1 reserve. | 15,225.15 | | 16,196.47 | |
| Cars used in collecting district: Gross tons shipped 1511273 | | | | |
| 1647309 @ 36 tons per car 41979 | | | | |
| 45759 car loads @ 4 days per car—167916 | | | | |
| 183036 car days per handling at 310 days per annum 542 | | | | |
| 9375 590 cars in daily use. Add 10% for reserves—equals 596 | | | | |
| 649 cars in daily use @ $70.05 per car (L. V. R. R. cost per car for 1913) | 41,749.80 | | 45,462.45 | |
| 5 Caboose Cars @ $70.05 | 350.25 | | 350.25 | |
| —Overhead— Superintendence, Stationery & Printing and other Expenses—Proportion (on basis these Expenses bear to total M. of E. Expenses) D. S. & S. 1904—1.2% | 687.90 | | 620.09 | |
| D. S. & S. 1905—1.0% | | | | |
| Total, | | $58,013.10 | | $62,629.26 |
| 9376 "C" Transportation, Wages, Fuel, Lubricants, Water, other Supplies and Engine House Expenses of (5) Mine Crews, | 42,571.04 | | 41,580.25 | |
| Six men each—L. V. R. R., 1906, serving same Collieries. —Overhead— Proportion for Superintendence, Injuries to Persons, etc., 1.3% | | | | |
| 1.2% D. S. & S. per 1904-1905. | 553.42 | | 498.96 | |
| Total, | | $ 43,124.46 | | $ 42,079.21 |

## L. V. R. R. EXHIBIT NO. 74—(Continued). "A" 9377

| | 1904 | | 1905 | |
|---|---|---|---|---|
| "D" Overhead, Proportion for General Expenses (based on ratio that General Expenses bears to all other Expenses) | | | | |
| 6.12% D. S. & S. 1904 | | | | |
| 4.63% " 1905 | | $8,894.52 | | $7,571.50 |
| Total, | | $154,229.75 | | $171,102.83 |
| "E" Taxes, | | 7,885.42 | | 5,944.05 |
| GRAND TOTAL, | | $162,115.17 | | $177,046.88 |
| Tons of Anthracite Coal | | 1,511,273 | | 1,647,309 |
| Cost per Gross Ton | | 10.73c | | 10.75c |

9378

9379

9380

# L. V. R. R. EXHIBIT NO. 74—(Continued).

LEHIGH VALLEY RAILROAD COMPANY

"B"

STATEMENT OF INTEREST ACCRUED TO JUNE 30, 1913, ON THE AMOUNT OF CASH RECEIPTS IN EXCESS OF THE INTEREST CHARGEABLE ACCOUNT OPERATIONS OF COXE BROS. & CO., INC., AND DELAWARE, SUSQUEHANNA & SCHUYLKILL R. R. CO. FROM NOVEMBER 1, 1905, TO JUNE 30, 1913.

| | 8 Months to June 30, 1906 | Year ended June 30, 1907 | Year ended June 30, 1908 | Year ended Jun. 30, 1909 | Year ended Jun. 30, 1910 | Year ended June 30, 1911 | Year ended June 30, 1912 | Year ended June 30, 1913 | Total |
|---|---|---|---|---|---|---|---|---|---|
| INCOME | | | | | | | | | |
| Cash dividends received from Coxe Bros. & Co., Inc., | $357,215.15 | $ 447,254.48 | $ 391,895.00 | $284,868.46 | $339,623.58 | $ 404,178.45 | $ 548,772.78 | $ 556,490.41 | $3,330,298.31 |
| Revenue on anthracite coal over D. S. & S. R. R., | 455,291.00 | 778,136.00 | 749,464.00 | 598,699.00 | 534,607.00 | 611,177.00 | 621,975.00 | 736,675.00 | 5,086,024.00 |
| Revenue on merchandise freight over D. S. & S. R. R., | 12,807.00 | 20,667.00 | 19,889.00 | 18,880.00 | 21,208.00 | 18,968.00 | 19,190.00 | 20,164.00 | 151,773.00 |
| Trackage over D. S. & S. R R., collected from P. R. R., | | | | | 21,170.00 | 19,690.00 | 21,822.00 | 24,971.00 | 87,653.00 |
| Total, | $825,313.15 | $1,246,057.48 | $1,161,248.00 | $902,447.46 | $916,608.58 | $1,054,013.45 | $1,211,759.78 | $1,338,300.41 | $8,655,748.31 |
| Less Cost of operation of D. S & S. R. R., | 100,978.08 | 172,990.40 | 168,037.01 | 135,408.40 | 121,177.44 | 138,273.59 | 140,728.36 | 166,168.45 | 1,143,761.73 |
| Net Income, | 724,335.07 | 1,073,067.08 | 993,210.99 | 767,039.06 | 795,431.14 | 915,739.86 | 1,071,031.42 | 1,172,131.96 | 7,511,986.58 |
| Less Interest chargeable, | 479,557.27 | 620,648.37 | 620,648.37 | 620,648.37 | 620,648.37 | 618,248.37 | 618,248.37 | 618,248.37 | 4,816,895.86 |
| Net Cash Receipts, | $244,777.80 | $ 452,418.71 | $ 372,562.62 | $146,390.69 | $174,782.77 | $ 297,491.49 | $ 452,783.05 | $ 553,883.59 | $2,695,090.72 |
| Interest on same to June 30, 1913, at 4% compound interest, viz: | | | | | | | | | |
| Average period (years) | 7½ | 6½ | 5½ | 4½ | 3½ | 2½ | 1½ | ½ | |
| Per cent. for period, | 33.35% | 29.05% | 24.09% | 19.32% | 14.73% | 10.32% | 6.08% | 2% | |
| Amount of Interest, | $ 81,633.40 | $ 131,427.04 | $ 89,750.34 | $ 28,282.68 | $ 25,745.50 | $ 30,701.12 | $ 27,529.21 | $ 11,077.67 | $ 426,147.36 |

## L. V. R. R. EXHIBIT NO. 74—(Continued). 9385

LEHIGH VALLEY RAILROAD COMPANY

"C"

STATEMENT OF TONNAGE AND APPROXIMATE EARNINGS ON ANTHRACITE COAL MOVING OVER D. S. & S. R. R. FOR A SERIES OF YEARS.

| | Gross Tons | Del'd To Penna. R. R. via Gum Run | L. V. R. R. Stockton Junction | D.S.&S.R.R. Av. Rate Per Ton | Earnings | Total |
|---|---|---|---|---|---|---|
| Nov. 1905 to June, 1906 | 918,859 | 199,808 | 719,051 | 52c<br>48c | 105,113<br>350,178 | 455,291 |
| Year ended June, 1907 | 1,578,505 | 288,420 | 1,290,085 | 52c<br>48c | 149,865<br>628,271 | 778,136 |
| " 1908 | 1,532,427 | 102,502 | 1,429,925 | 51c<br>48c | 53,090<br>696,374 | 749,464 |
| " 1909 | 1,228,905 | 18,920 | 1,209,985 | 49c<br>48c | 9,436<br>589,263 | 598,699 |
| " 1910 | 1,096,524 | 72,341 | 1,024,183 | 49c<br>48c | 35,830<br>498,777 | 534,607 |
| " 1911 | 1,255,558 | 60,996 | 1,194,562 | 48c<br>48c | 29,425<br>581,752 | 611,177 |
| " 1912 | 1,278,393 | 59,206 | 1,219,187 | 47c<br>48c | 28,231<br>593,744 | 621,975 |
| " 1913 | 1,515,045 | 61,825 | 1,453,220 | 46c<br>48c | 28,957<br>707,718 | 736,675 |
| | 10,404,216 | 864,018 | 9,540,198 | | 5,086,024 | 5,086,024 |

9386 9387 9388

BLUEPRINT
TOO
LARGE
FOR
FILMING

# L. V. R. R. EXHIBIT NO. 76. 9393

STATEMENT OF MILEAGE OF MAHANOY & HAZLETON DIVISION AT PRESENT TIME AND WHEN TRACKS ARE LIFTED ACCOUNT OF MINES BEING EXHAUSTED.

| | Main Tracks. | Sidings. | Total. | |
|---|---|---|---|---|
| Total D. S. & S. R. R., June 30, 1914, | 32.62 | 17.87 | 50.49 | |
| Total L. V. R. R. Co., " " " | 246.39 | 133.03 | 379.42 | |
| Grand Total, June 30, 1914, | 279.01 | 150.90 | 429.91 | |
| Total to be lifted when mines are exhausted, | 150.37 | 66.08 | 216.45 | 9394 |
| Total tracks remaining when the mines are exhausted, | 128.64 | 84.82 | 213.46 | |

MAHANOY & HAZLETON DIVISION STATEMENT OF COLLIERY TRACKS THAT CAN BE LIFTED WHEN COAL MINES ARE EXHAUSTED.

| | Main Track | Sidings | Totals | |
|---|---|---|---|---|
| Midvalley #1 Colliery | 3.112 | 0.294 | 3.406 | 9395 |
| Sayre " | | 2.739 | 2.739 | |
| Morris Ridge " | | 0.600 | 0.600 | |
| Logan | 0.436 | 0.168 | 0.604 | |
| Continental Br. | | 1.307 | 1.307 | |
| Centralia | | 1.878 | 1.878 | |
| Montana & Midvalley #2 Colliery | 3.627 | 1.937 | 5.564 | |
| Raven Run Br. | | 0.856 | 0.856 | |
| Parker No. 4 Colliery | | 3.390 | 3.390 | |
| Parker No. 5 " | 0.429 | 0.612 | 1.041 | |
| Weston Colliery | | 0.692 | 0.692 | |
| Primrose | 2.336 | 0.799 | 3.135 | |
| Springdale | | 0.320 | 0.320 | |
| Park #2 | 0.634 | 1.253 | 1.887 | |
| Middle Lehigh | | 1.054 | 1.054 | |
| Morea | 2.139 | 0.348 | 2.487 | |
| Buck Mountain | | 1.600 | 1.600 | 9396 |
| Spring Brook Washery | | 0.391 | 0.391 | |
| " " Slope | | 0.196 | 0.196 | |
| Beaver Brook | 0.932 | 0.413 | 1.345 | |
| Spring Mountain | 0.658 | 2.472 | 3.130 | |
| Coleraine | 0.691 | 0.395 | 1.086 | |
| Beaver Meadow | 2.089 | 1.307 | 3.396 | |
| Evans | 1.365 | 0.035 | 1.400 | |
| Stockton #2 | 1.184 | 0.378 | 1.562 | |
| Hazle Brook Colliery | | 0.724 | 0.724 | |
| Eckley Colliery | 1.316 | 0.495 | 1.811 | |
| Highland #2 | 1.442 | 1.376 | 2.818 | |
| " #5 | 1.622 | 1.204 | 2.826 | |
| Jeddo #4 | 0.517 | 1.509 | 2.026 | |
| " #7 | | 0.035 | 0.035 | |

9397 **L. V. R. R. EXHIBIT NO. 76—(Continued).**

| | Main Track | Sidings | Totals |
|---|---|---|---|
| Lattimer #4 | 2.157 | 1.096 | 3.253 |
| " #3 | 0.341 | 0.647 | 0.988 |
| Harleigh-Brookwood | | 0.417 | 0.417 |
| Hazle Mountain | | 0.981 | 0.981 |
| Cranberry | 0.923 | 0.708 | 1.631 |
| Hazleton #1 | | 0.802 | 0.802 |
| Humboldt Br. | 1.990 | 0.075 | 2.065 |
| Hazleton Shaft | 0.888 | 2.445 | 3.333 |
| Oneida #8 Slope | | 0.784 | 0.784 |
| Oneida Colliery | | 1.934 | 1.934 |
| Harwood Colliery | 0.768 | 1.254 | 2.022 |
| 9398 Drifton Colliery | | 2.892 | 2.892 |
| Tomhicken " | 0.942 | 0.237 | 1.179 |
| Deringer | 1.098 | 1.430 | 2.528 |
| Eckley Colliery | 0.549 | 0.671 | 1.220 |
| TOTAL | 34.165 | 47.170 | 81.335 |

MAHANOY & HAZLETON DIVISION SUPPLEMENTARY STATEMENT OF ADDITIONAL TRACKS, OTHER THAN COLLIERY TRACKS, THAT CAN BE LIFTED WHEN COAL MINES ARE EXHAUSTED.

| 9399 | Main Tracks | Sidings | Totals |
|---|---|---|---|
| Ebervale Br.—Pink Ash Jct. to W. B. & H. Jct. | 8.232 | 3.662 | 11.894 |
| Highland Br.—So. Heberton Br. Sw. to Highland #6 Slope | 5.153 | 0.813 | 5.966 |
| Highland Br.—All double track | 4.017 | | 4.017 |
| Sheppton Branch—Sheppton to Ashmore | 19.162 | 4.887 | 24.049 |
| Tomhicken Branch—Hazleton Jct. to Gum Run | 9.438 | 2.478 | 11.916 |
| Quakake Branch—All 2nd track (leaving 2700') | 16.102 | | 16.102 |
| Hays Creek Br.—All 2nd track (leaving Houser Sidings) | 3.515 | 6.252 | 9.767 |
| Beaver Meadow Br.—All 2nd track | 2.577 | 0.830 | 3.407 |
| Ashland Br. " " " | 1.946 | | 1.946 |
| Main Line (leaving 2700' & McAdoo) Siding. | 46.064 | | 46.064 |
| 9400 | 116.206 | 18.912 | 135.118 |
| Mileage of Colliery Tracks, Sheet #1, | 34.165 | 47.170 | 81.335 |
| GRAND TOTAL TRACKS THAT CAN BE LIFTED, | 150.371 | 66.082 | 216.453 |

9401

9402

There is no L. V. R. R. Exhibit No. 77.

9403

9404

9405

# L. V. R. R. EXHIBIT NO. 78.

## WYOMING DIVISION.

STATEMENT SHOWING THE TRACKAGE WE NOW HAVE LAID AND IN USE, WHICH WILL BE ULTIMATELY USELESS ON ACCOUNT OF THE EXHAUSTION OF THE MINES:

| Name of Colliery | Amt. of Track that could not be used for other than Colliery Purposes if Collieries were shut down. Miles. | Remarks. |
|---|---|---|
| Ridgewood, | None | Private tracks, |
| 9406 Warrior Run, | 2.03 | Does not include portion of Coll. Brch necessary to reach station Siding at Warrior Run. |
| Franklin | 2.08 | Does not include portion of Coll. Brch. owned by L & W B C Co. |
| Hillman Vein | 0.66 | Does not include Coll. tracks owned by Coal Co. |
| Mineral Springs, | 2.34 | |
| Miners Mills, | 0.02 | Does not include Colly. Tracks owned by Coal Co. |
| Prospect, | 2.51 | |
| Dorrance, | 1.22 | Includes timber track at L. V. C. Co., Midvale Shop 736' |
| 9407 | | |
| Henry, | 1.33 | |
| Seneca, | 1.12 | Does not include portion of Coll. Brch. necessary to reach Wyo. Chemical Works. |
| Pickaway, | .78 | |
| Heidelberg, | 3.66 | |
| *Reliance, | 0.36 | |
| Stevens, | 0.81 | |
| Exeter, | 2.29 | Does not include portion of Coll. Track necessary to reach Wyoming Lumber Co. |
| *Reliance Colliery has been idle for several years. | | |
| Hutchins, (Troy) | 0.81 | |
| Mt. Lookout, | 2.40 | |
| Westmoreland, | 1.18 | |
| 9408 Maltby, | 1.65 | |
| Forty Fort, | 1.49 | |
| Harry "E" | 0.20 | Does not include Coll. Tracks owned by outside parties. |
| East Boston, | 0.05 | " " " " |
| Black Diamond, | 0.23 | " " " " |
| Louisa, | 0.52 | |
| Kingston Coal Co. | None | Private Tracks, |
| William "A" | 2.33 | |
| Sibley, | None | Private Tracks, |
| Austin | 0.87 | |
| Lawrence. | 0.57 | |
| Total | 33.51 | |

## L. V. R. R. EXHIBIT NO. 79. 9409

# HISTORY OF LEHIGH VALLEY R. R. CO.'S ANTHRACITE COAL RATES

Oct. 23, 1913.

The Delaware, Lehigh, Schuylkill & Susquehanna Railroad was organized in 1846 by an act of the Legislature of the State of Pennsylvania. In 1853 the name was changed to the Lehigh Valley Railroad Company. The road was organized to bring to the Delaware River at 9410
Easton, Pa., the anthracite coal from the Lehigh Region brought down to the valley of the Lehigh River by the Beaver Meadow and Hazleton Railroads. The line extended from Easton, Pa., westwards up the Lehigh River. The construction was commenced in 1852, and in 1855 the road was in operation between Easton and Mauch Chunk. At Easton, Pa., the Lehigh Valley Railroad connected with the Central Railroad of New Jersey, the Belvidere and Delaware Railroad, the Morris Canal and the Delaware Division Canal. At Mauch
Chunk, Pa., it connected with the Beaver Meadow Rail- 9411
road. The Beaver Meadow Railroad was a coal road extending from Mauch Chunk up the valley of the Lehigh to Penn Haven and thence up Quakake Creek and Hazle Creek to the mines of the Beaver Meadow Company. It connected with the Hazleton Railroad at Hazle Creek Junction, the latter road reaching all of the mines at and about Hazleton, Pa., all in what is now known as the Lehigh Coal Region.

In March, 1856, a rate of $.93 per gross ton was established from *Mauch Chunk to Phillipsburg,* a distance of 9412
45.7 miles. In December, 1858, the rate was made $.82 per gross ton—

| | | |
|---|---|---|
| In April, 1859 ..... | $.566 | gross ton |
| " December, 1859 ..... | .82 | " " |

These rates fluctuated frequently, almost from month to month. In December, 1862, the rate was $1.01 1/10 per

9413 gross ton and kept on increasing until October, 1865, when the rate was made $1.55 per gross ton.

| | | | | |
|---|---|---|---|---|
| In March, 1866, it was..... | $1.15 | per | gross | ton |
| " " 1867 ..... | .81 | " | " | " |
| " April, 1868 ..... | .69 | " | " | " |
| " " 1869 ..... | .81 | " | " | " |
| " May, 1870 ..... | .81 | " | " | " |
| " " 1871 ..... | .98 | " | " | " |
| " April, 1872 ..... | .66 | " | " | " |
| " May, 1873 ..... | .78 | " | " | " |
| 9414 " " 1874 ..... | .80 | " | " | " |
| " " 1875 ..... | .93 | " | " | " |
| " January, 1876 ..... | .95 | " | " | " |
| " February, 1876 ..... | .77 | " | " | " |

The above statement gives a general idea of the effective rates for each year.

In June, 1867, the road was extended to Wilkes-Barre, and in May, 1875, the New Jersey Division, Easton to Amboy, was opened for traffic.

In June, 1875, through rates were established from
9415 *Penn Haven* to Perth Amboy for transshipment, and from the Wyoming Region to Perth Amboy for transshipment. The rate from Penn Haven to Perth Amboy was fixed at forty per cent. of the monthly average price of Lehigh coal f. o. b. at that point. Fourteen cents of this percentage proportion accrued to the Lehigh between Penn Haven and Mauch Chunk, and the remainder represented the "monthly rate" from *Mauch Chunk* to tide.

In addition to the rates ascertained as stated above
9416 from Penn Haven to tide, there were lateral charges from the mines to Penn Haven, varying according to the distance; for instance, from Beaver Brook Colliery to Penn Haven the rate was $.36 per gross ton; from Coleraine, $.30 per gross ton; from Ebervale $.40 per gross ton; from Lattimer $.44 per gross ton, and from Jeddo $.34 per gross ton.

These rates applied only on tidewater coal. The "Way Rate" or the rates from mines to Penn Haven on coal

destined to line points were anywhere from five cents per ton to twenty-five cents per ton higher than the tide basis. The rates on coal from the Wyoming Region to Perth Amboy for reshipment were based on one and one-quarter cents per ton per mile from the mines to Penn Haven, and from Penn Haven to tidewater, the rate basis was the same as that applied from that point on coal originating in the Lehigh Region. 9417

In November, 1870, the rates from the Mahanoy Division were as a rule based on two cents per ton per mile from mines to Penn Haven on coal taking a "Way" rate. On coal taking a "tide" rate, the rate from mines to Penn Haven was one and one-half cents per ton per mile; from Penn Haven to Mauch Chunk thirteen cents and "two cents additional for tax." On coal taking the local rate, eleven cents per ton was added to the "tide" basis. 9418

At that time the rate on coal from Penn Haven to Port Johnson was $2.00 per gross ton, divided

| | |
|---|---|
| Penn Haven to Mauch Chunk | $ .13 |
| Mauch Chunk to Phillipsburg | .75½ |
| Phillipsburg to Elizabethport | 1.08 |
| Phillipsburg to Port Johnson | 1.11½ |
| Phillipsburg to Hoboken | 1.11½ |

9419

Next attached is a statement showing the through tariff rates from the mines to Perth Amboy, N. J., for reshipment from June 1, 1875, up to the present time.

It will be observed that up to April 1, 1884, there was only one rate size and that the Wyoming Region rates were anywhere from twenty-one cents per ton to thirty cents per ton higher than the rates from the Lehigh Region. On May 1, 1884, rates were established on "pea and buckwheat" and "smaller" sizes. On April 14, 1889, further division was made and a different rate established on "pea" and "buckwheat," theretofore same rate covering both sizes. 9420

9421

LEHIGH VALLEY RAILROAD COMPANY

RATES ON ANTHRACITE COAL TO PERTH AMBOY FOR RESHIPMENT.

PER GROSS TON.

| Date | FROM | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Lehigh and Schuylkill Regions | | | | Wyoming Region | | | |
| | Prepared Sizes | Pea | Buck | Rice & Barley | Prepared Sizes | Pea | Buck | Rice & Barley |
| June 7, 1875 | $2 56 | | | | $2 86 | | | |
| July 1, 1875 | 2 54 | | | | 2 84 | | | |
| 9422 August 1, 1875 | 2 56 | | | | 2 86 | | | |
| September 1, 1875 | 2 58 | | | | 2 88 | | | |
| October 1, 1875 | 2 60 | | | | 2 90 | | | |
| February 1, 1876 | 2 41 | | | | 2 71 | | | |
| March 1, 1876 | 2 30 | | | | 2 60 | | | |
| May 1, 1876 | 2 32 | | | | 2 62 | | | |
| June 1, 1876 | 2 34 | | | | 2 64 | | | |
| July 1, 1876 | 2 36 | | | | 2 66 | | | |
| August 1, 1876 | 2 42 | | | | 2 72 | | | |
| September 1, 1876 | 1 59 | | | | 1 89 | | | |
| November 1, 1876 | 1 62 | | | | 1 92 | | | |
| April 1, 1877 | 1 36 | | | | 1 57 | | | |
| September 1, 1877 | 1 49 | | | | 1 70 | | | |
| September 24, 1877 | 1 59 | | | | 1 80 | | | |
| October 29, 1877 | 1 49 | | | | 1 70 | | | |
| February 1, 1878 | 1 62 | | | | 1 83 | | | |
| March 25, 1878 | 1 67 | | | | 1 88 | | | |
| June 3, 1878 | 1 72 | | | | 1 93 | | | |
| June 26, 1878 | 1 75 | | | | 1 96 | | | |
| January 13, 1879 | 1 62 | | | | 1 83 | | | |
| February 17, 1879 | 1 49 | | | | 1 70 | | | |
| 9423 March 1, 1879 | 1 36 | | | | 1 57 | | | |
| March 19, 1879 | 1 25 | | | | 1 46 | | | |
| April 1, 1879 | 1 10 | | | | 1 31 | | | |
| April 14, 1879 | 1 00 | | | | 1 21 | | | |
| November 1, 1879 | 1 15 | | | | 1 36 | | | |
| November 10, 1879 | 1 25 | | | | 1 46 | | | |
| November 24, 1879 | 1 40 | | | | 1 61 | | | |
| January 4, 1880 | 1 40 | | | | 1 61 | | | |
| March 1, 1880 | 1 60 | | | | 1 81 | | | |
| April 5, 1880 | 1 75 | | | | 1 96 | | | |
| September 13, 1880 | 1 90 | | | | 2 11 | | | |
| May 29, 1882 | 1 75 | | | | 1 96 | | | |
| July 10, 1882 | 1 90 | | | | 2 11 | | | |
| April 1, 1884 | 1 77 | $1 57 | $1 57 | $1 57 | 1 86 | $1 66 | $1 66 | $1 66 |
| February 2, 1885 | 1 57 | 1 37 | 1 37 | 1 37 | 1 66 | 1 46 | 1 46 | 1 46 |
| August 27, 1885 | 1 37 | 1 17 | 1 17 | 1 17 | 1 46 | 1 26 | 1 26 | 1 26 |
| October 1, 1886 | 1 47 | 1 27 | 1 27 | 1 27 | 1 56 | 1 36 | 1 36 | 1 36 |
| April 4, 1887 | 1 56 | 1 41 | 1 41 | 1 41 | 1 67 | 1 52 | 1 52 | 1 52 |
| November 21, 1887 | 1 81 | 1 66 | 1 66 | 1 66 | 1 92 | 1 77 | 1 77 | 1 77 |
| December 12, 1887 | 1 90 | 1 75 | 1 75 | 1 75 | 2 00 | 1 85 | 1 85 | 1 85 |
| March 12, 1888 | 1 70 | 1 55 | 1 55 | 1 55 | 1 80 | 1 65 | 1 65 | 1 65 |
| 9424 April 2, 1888 | 1 70 | 1 45 | 1 45 | 1 45 | 1 80 | 1 55 | 1 55 | 1 55 |
| May 1, 1888 | 1 70 | 1 40 | 1 40 | 1 20 | 1 80 | 1 50 | 1 50 | 1 30 |
| September 1, 1888 | 1 80 | 1 40 | 1 40 | 1 20 | 1 90 | 1 50 | 1 50 | 1 30 |
| April 14, 1889 | 1 70 | 1 40 | 1 20 | 1 20 | 1 75 | 1 45 | 1 25 | 1 25 |
| September 12, 1892 | 1 85 | 1 55 | 1 35 | 1 35 | 1 85 | 1 55 | 1 35 | 1 35 |
| April 1, 1893 | 1 70 | 1 40 | 1 20 | 1 20 | 1 70 | 1 40 | 1 20 | 1 20 |
| May 10, 1894 | 1 50 | 1 40 | 1 35 | 1 35 | 1 50 | 1 40 | 1 35 | 1 35 |
| June 1, 1896 | 1 50 | 1 40 | 1 20 | 1 20 | 1 50 | 1 40 | 1 20 | 1 20 |
| September 7, 1896 | 1 55 | 1 40 | 1 20 | 1 20 | 1 55 | 1 40 | 1 20 | 1 20 |
| May 1, 1900 | 1 55 | 1 40 | 1 25 | 1 25 | 1 55 | 1 40 | 1 25 | 1 25 |
| August 7, 1901 | 1 55 | 1 40 | 1 25 | 1 10 | 1 55 | 1 40 | 1 25 | 1 10 |
| November 16, 1903 | 1 55 | 1 40 | 1 25 | 1 10 | 1 55 | 1 40 | 1 25 | 1 10 |
| January 10, 1905 | 1 55 | 1 40 | 1 20 | 1 10 | 1 55 | 1 40 | 1 20 | 1 10 |
| December 1, 1906 | 1 55 | 1 40 | 1 20 | 1 10 | 1 55 | 1 40 | 1 20 | 1 10 |
| October 15, 1911 | 1 55 | 1 40 | 1 20 | 1 10 | 1 40 | 1 30 | 1 15 | 1 10 |
| April 15, 1912# | 1 55 | 1 40 | 1 20 | 1 10 | 1 40 | 1 30 | 1 15 | 1 10 |

#Still in force.

It will be observed that the present rates to Perth Amboy for transshipment are precisely the same as have been in effect for the past 13 years, with the exception that *reductions* have been made from time to time on the smaller sizes, and the further exception, that rates from the Wyoming Region were reduced 15 cents on prepared sizes, 10 cents on pea, and 5 cents on buckwheat, October 15, 1911, by order of the Interstate Commerce Commission. 9425

On November 1, 1871, the following rates were in effect from *Penn Haven:*

9426

| To | |
|---|---|
| Elizabethport, N. J. | $2.28 per gross ton |
| Port Johnson, N. J. | 2.28 " " " |
| Hoboken, N. J. | 2.28 " " " |
| South Amboy, N. J. | 2.13 " " " |

On January 1, 1872, they were changed to

| | |
|---|---|
| Elizabethport, N. J. | $1.90 per gross ton |
| Port Johnson, N. J. | 1.90 " " " |
| Hoboken, N. J. | 1.90 " " " |
| South Amboy, N. J. | 1.70 " " " |

9427

On July 1, 1873, they were changed to

| | |
|---|---|
| Elizabethport, N. J. | $2.14 per gross ton |
| Port Johnson, N. J. | 2.14 " " " |
| Hoboken, N. J. | 2.14 " " " |
| South Amboy, N. J. | 2.14 " " " |

The above rates did not include wharfage or shipping expenses at tidewater ports and applied via the Lehigh Valley Railroad at Phillipsburg and from that point to Hoboken via the Delaware, Lackawanna & Western Railroad; to Elizabethport and Port Johnson, N. J., via the Central Railroad of New Jersey and to South Amboy via the Pennsylvania Railroad. 9428

In addition to the rates named from Penn Haven Junction there were also the lateral charges previously referred to from the mines to Penn Haven, running anywhere from thirty to fifty cents per ton.

9429 The following statement shows the forty per cent. rates to Perth Amboy, N. J., f. o. b., that were in effect from August 1, 1893, to and including October, 1900:

| Date | Prepared Sizes | Pea | Buckwheat and Smaller |
|---|---|---|---|
| 1893 | | | |
| August | $1.57316 | $1.33925 | $1.17980 |
| September | 1.58508 | 1.34145 | 1.17028 |
| 9430 October | 1.62886 | 1.360975 | 1.207408 |
| November | 1.60054 | 1.330065 | 1.208836 |
| December | 1.58896 | 1.35277 | 1.25785 |
| 1894 | | | |
| January | 1.5450 | 1.3890 | 1.2805 |
| February | 1.4994 | 1.4127 | 1.3694 |
| March | 1.4850 | 1.4415 | 1.3674 |
| April | 1.4063 | 1.4098 | 1.2845 |
| May | 1.3936 | 1.4167 | 1.3238 |
| June | 1.3963 | 1.3980 | 1.2767 |
| July | 1.3995 | 1.3194 | 1.2484 |
| 9431 August | 1.3732 | 1.3515 | 1.2417 |
| September | 1.3375 | 1.3276 | 1.2310 |
| October | 1.3377 | 1.3091 | 1.2468 |
| November | 1.3188 | 1.3023 | 1.2475 |
| December | 1.2839 | 1.3313 | 1.2628 |
| 1895 | | | |
| January | 1.3089 | 1.3659 | 1.2587 |
| February | 1.3160 | 1.3864 | 1.2493 |
| March | 1.2688 | 1.3169 | 1.2467 |
| April | 1.2221 | 1.2638 | 1.2213 |
| 9432 May | 1.2304 | 1.2496 | 1.2035 |
| June | 1.2308 | 1.2156 | 1.1769 |
| July | 1.2049 | 1.2036 | 1.1605 |
| August | 1.1731 | 1.1333 | 1.1548 |
| September | 1.1797 | 1.1339 | 1.1635 |
| October | 1.2373 | 1.1360 | 1.1618 |
| November | 1.2926 | 1.1442 | 1.1411 |
| December | 1.3038 | 1.1201 | 1.1159 |

| Date | Prepared Sizes | Pea | Buckwheat and Smaller | 9433 |
|---|---|---|---|---|
| 1896 | | | | |
| January | $1.2759 | $1.0394 | $1.0815 | |
| February | 1.2772 | 1.0496 | 1.0539 | |
| March | 1.3107 | 1.0620 | 1.0665 | |
| April | 1.3435 | 1.0832 | 1.1344 | |
| May | 1.3644 | 1.1309 | 1.1383 | |
| June | 1.4181 | 1.0995 | 1.1453 | |
| July | 1.4545 | 1.1065 | 1.1447 | 9434 |
| August | 1.4868 | 1.0985 | 1.1120 | |
| September | 1.5426 | 1.0870 | 1.0398 | |
| October | 1.5513 | 1.0486 | 1.0655 | |
| November | 1.5442 | 1.0636 | 1.0528 | |
| December | 1.4966 | 1.0557 | 1.0866 | |
| 1897 | | | | |
| January | 1.4508 | 1.0618 | 1.1089 | |
| February | 1.4577 | 1.1186 | 1.1264 | |
| March | 1.4470 | 1.1227 | 1.1329 | |
| April | 1.4640 | 1.1584 | 1.1318 | |
| May | 1.4949 | 1.1343 | 1.1217 | 9435 |
| June | 1.5091 | 1.1232 | 1.1204 | |
| July | 1.5170 | 1.1300 | 1.1143 | |
| August | 1.5297 | 1.1162 | 1.1306 | |
| September | 1.5237 | 1.1094 | 1.1274 | |
| October | 1.5218 | 1.1208 | 1.1371 | |
| November | 1.4876 | 1.1171 | 1.1225 | |
| December | 1.4324 | 1.1364 | 1.1101 | |
| 1898 | | | | |
| January | 1.4173 | 1.1785 | 1.1574 | |
| February | 1.4332 | 1.2106 | 1.1706 | 9436 |
| March | 1.4515 | 1.2133 | 1.1533 | |
| April | 1.4744 | 1.2081 | 1.1605 | |
| May | 1.4959 | 1.2083 | 1.1727 | |
| June | 1.4916 | 1.1989 | 1.1798 | |
| July | 1.4494 | 1.1375 | 1.1544 | |
| August | 1.4305 | 1.1416 | 1.1521 | |
| September | 1.4314 | 1.1339 | 1.1461 | |
| October | 1.4014 | 1.1245 | 1.1396 | |
| November | 1.3930 | 1.1225 | 1.1312 | |
| December | 1.3732 | 1.1472 | 1.1446 | |

| Date | Prepared Sizes | Pea | Buckwheat and Smaller |
|---|---|---|---|
| 1899 | | | |
| January | $1.3596 | $1.1786 | $1.1591 |
| February | 1.3505 | 1.2010 | 1.1725 |
| March | 1.3665 | 1.2145 | 1.1602 |
| April | 1.3905 | 1.2093 | 1.1529 |
| May | 1.3977 | 1.1774 | 1.1263 |
| June | 1.4012 | 1.1854 | 1.1363 |
| July | 1.4033 | 1.1657 | 1.1434 |
| August | 1.4139 | 1.1453 | 1.1462 |
| September | 1.4418 | 1.1493 | 1.1493 |
| October | 1.4934 | 1.1452 | 1.1619 |
| November | 1.4965 | 1.1887 | 1.1695 |
| December | 1.5113 | 1.2356 | 1.1985 |
| 1900 | | | |
| January | 1.4950 | 1.2901 | 1.1973 |
| February | 1.4529 | 1.2563 | 1.2052 |
| March | 1.4187 | 1.2652 | 1.2233 |
| April | 1.4301 | 1.2533 | 1.2018 |
| May | 1.4484 | 1.2395 | 1.2313 |
| June | 1.4349 | 1.2319 | 1.2207 |
| July | 1.4503 | 1.2163 | 1.1944 |
| August | 1.4451 | 1.2225 | 1.2150 |
| September | 1.5186 | 1.2502 | 1.2719 |
| October | 1.7724 | 1.3266 | 1.2690 |

## EXPLANATION OF LATERAL RATES (1878)

WYOMING REGION, EAST SIDE OF RIVER.

Tide rates, January, 1878—rate mines to Sugar Notch one cent per ton per mile. Rate Sugar Notch to Penn Haven (43 miles) one and one-quarter cents per ton per mile. Rate Penn Haven Junction to Mauch Chunk, arbitrary, fourteen cents per ton.

Way and Furnace Rates—rate five cents per ton switching and one and one-quarter cents per ton per mile from mines to Penn Haven,—Penn Haven to Mauch Chunk arbitrary twenty cents per gross ton,—in some instances the whole rate is arbitrary.

TIDE, WAY AND FURNACE RATES, WEST SIDE OF RIVER. 9441

Charge made by the Delaware, Lackawanna & Western Railroad is five cents per ton switching (and five cents per ton additional when from collieries where the grades are seventy-five feet to the mile) one cent per ton per mile, and twelve cents per ton to the D. & H. Company for their track and Plymouth Bridge. (distance from Plymouth Bridge to Sugar Notch is three miles.) On Tide coal rates from Plymouth Bridge to Sugar Notch is three cents per ton, and on "way" and "furnace" coal seven cents per ton. From Sugar Notch rate is 9442 made up the same as from east side of River.

NORTH PENN RAILROAD POINTS.

To Fort Washington and beyond, coal is freighted at tide rate from mines to Mauch Chunk from all regions.

SOUTH AMBOY.

Rate to South Amboy for reshipment to be fifty per cent. of the f. o. b. prices (exclusive of pea coal) from Sugar Notch to South Amboy, providing this will give transportation one and one-quarter cents per ton 9434 per mile, otherwise rate will be figured same as other tide rates.

HAZLETON AND BEAVER MEADOW REGIONS.

From Collieries on the Hazleton Division two and one-half cents per ton per mile from mines to Penn Haven. Penn Haven to Mauch Chunk the rate on all sizes is fourteen cents per ton.

Way and Canal Rates—Rate from mines to Penn Haven is arbitrary. Penn Haven to Mauch Chunk twenty cents per ton.

Coal going north from Penn Haven—Rate from mines 9444 to Penn Haven regular tide rate as stated above.

MAHANOY REGION.

The rates are all arbitrary. The rate from mines to Penn Haven is small fraction over one cent per ton per mile, and fourteen cents Penn Haven to Mauch Chunk.

The way and furnace rates are about one and one-quarter cents per ton per mile, and twenty cents per ton from Penn Haven to Mauch Chunk.

9445 The rate to Mauch Chunk for Canal is from eleven to sixteen cents per ton higher than the way rate. This rate, however, was increased July, 1878, ten cents per ton.

---

Effective October 27, 1870, the rate to Penn Haven for Hoboken and Port Johnson was figured forty per cent. of the selling price of Lehigh coal free on board vessel. This arrangement was abrogated December 1, 1876, and the following arrangement made effective:

9446 Average price of coal at tidal ports, f. o. b. is ascertained, including pea coal (at minimum arbitrary of $3.00 per gross ton). From this average price deduct arbitrary for royalty, selling and other fixed expenses of $1.12 per ton, divide balance equally between operator and railroad company, which will be the rate from Penn Haven to Perth Amboy. This plan to continue until coal averages $4.50 f. o. b. when the forty per cent. rate of October, 1870, will again apply. This plan abrogated October 29, 1877, and "rates made arbitrarily."

9447 STATEMENT OF RATES (PER GROSS TON) ON ANTHRACITE COAL, FROM LEHIGH AND WYOMING REGIONS TO JERSEY CITY, N. J., LOCAL.

| Effective | Via | Lehigh Region | | | | Wyoming Region | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Prepared | Pea | Buck | Smaller | Prepared | Pea | Buck | Smaller |
| | | $ | $ | $ | $ | $ | $ | $ | $ |
| June 1, 1867 | Metuchen & P. R. R. | 1 75 | 1 60 | 1 60 | 1 60 | 1 80 | 1 65 | 1 65 | 1 65 |
| Nov. 21, 1867 | " " | 1 85 | 1 70 | 1 70 | 1 70 | 1 95 | 1 80 | 1 80 | 1 80 |
| Apr. 2, 1868 | " " | 1 75 | 1 50 | 1 50 | 1 50 | 1 85 | 1 60 | 1 60 | 1 60 |
| May 1, 1868 | " " | 1 75 | 1 45 | 1 45 | 1 25 | 1 85 | 1 55 | 1 55 | 1 35 |
| Sept. 1, 1868 | " " | 1 85 | 1 45 | 1 45 | 1 25 | 1 95 | 1 55 | 1 55 | 1 35 |
| Apr. 15, 1869 | " " | 1 75 | 1 45 | 1 25 | 1 25 | 1 80 | 1 50 | 1 30 | 1 30 |
| Oct. 21, 1869 | L. V. R. R. | 1 75 | 1 45 | 1 25 | 1 25 | 1 80 | 1 50 | 1 30 | 1 30 |
| Sept. 12, 1892 | " | 1 90 | 1 60 | 1 40 | 1 40 | 1 90 | 1 60 | 1 40 | 1 40 |
| Jan. 9, 1893 | " | 1 75 | 1 45 | 1 25 | 1 25 | 1 80 | 1 50 | 1 30 | 1 30 |
| Apr. 1, 1893 | " | 1 75 | 1 45 | 1 25 | 1 25 | 1 75 | 1 45 | 1 25 | 1 25 |
| May 10, 1894 | " | 1 55 | 1 45 | 1 40 | 1 40 | 1 55 | 1 45 | 1 40 | 1 40 |
| 9448 June 1, 1896 | " | 1 55 | 1 45 | 1 25 | 1 25 | 1 55 | 1 45 | 1 25 | 1 25 |
| Sept. 7, 1896 | " | 1 60 | 1 45 | 1 25 | 1 25 | 1 60 | 1 45 | 1 25 | 1 25 |
| Nov. 16, 1903 # | " | 1 60 | 1 45 | 1 25 | 1 15 | 1 60 | 1 45 | 1 25 | 1 15 |

#Rates still in effect.

NOTE.—It will be observed by reference to the above statement that the present rates to Jersey City, local, on anthracite coal are lower than they have been during the last 26 years, with the exception of the period May 10, 1894, to September 7, 1896, when the rate on prepared sizes was 5 cents per ton lower than the present rate. During that period, there was a general demorali-

zation of the anthracite coal rates; the rate on prepared 9449
sizes being reduced 20 cents per ton. Shippers during that period were selling coal at less than cost as a result of the panic conditions. Notwithstanding these facts, however, the rates today on buckwheat and smaller sizes from both regions are lower than they were during that depressing period, or in fact, any time during the past 26 years.

Notwithstanding the increased cost of operation, and the admitted necessity for greater revenue, it will be observed the present rates to Jersey City local are pre- 9450
cisely the same as they have been for the past 17 years, with the exception that the rice and barley rate was *reduced* 10 cents per ton, ten years ago.

STATEMENT OF RATES (PER GROSS TON) ON ANTHRACITE COAL FROM LEHIGH AND WYOMING REGIONS TO JERSEY CITY, N. J. F. O. B. CAR FLOATS.

| Effective | Via | Lehigh Region | | | | Wyoming Region | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Prepared Sizes | Pea | Buck | Smaller | Prepared Sizes | Pea | Buck | Smaller |
| | | $ | $ | $ | $ | $ | $ | $ | $ |
| June 1, 1887 | Metuchen & P. R. R. | 1 90 | 1 45 | 1 45 | 1 45 | | | | |
| Nov. 21, 1887 | " " | 1 85 | 1 70 | 1 70 | 1 70 | | | | |
| Dec. 12, 1887 | " " | 1 90 | 1 75 | 1 75 | 1 75 | 2 00 | 1 85 | 1 85 | 1 85 |
| Mar. 12, 1888 | " " | 1 75 | 1 60 | 1 60 | 1 60 | 1 85 | 1 70 | 1 70 | 1 70 |
| May 1, 1888 | " " | 1 75 | 1 45 | 1 45 | 1 25 | 1 85 | 1 55 | 1 55 | 1 25 |
| Sept. 1, 1888 | " " | 1 85 | 1 45 | 1 45 | 1 25 | 1 95 | 1 55 | 1 55 | 1 25 |
| Apr. 15, 1889 | " " | 1 75 | 1 45 | 1 25 | 1 25 | 1 90 | 1 50 | 1 30 | 1 30 |
| Sept. 13, 1892 | L. V. R. R. | 1 90 | 1 60 | 1 40 | 1 40 | 1 90 | 1 60 | 1 40 | 1 40 |
| Apr. 1, 1893 | " | 1 75 | 1 45 | 1 25 | 1 25 | 1 75 | 1 45 | 1 25 | 1 25 |
| May 10, 1894 | " | 1 55 | 1 45 | 1 40 | 1 40 | 1 55 | 1 45 | 1 40 | 1 40 |
| June 1, 1896 | " | 1 55 | 1 45 | 1 25 | 1 25 | 1 55 | 1 45 | 1 25 | 1 25 |
| Sept. 7, 1896 | " | 1 60 | 1 45 | 1 25 | 1 25 | 1 60 | 1 45 | 1 25 | 1 25 |
| Nov. 16, 1903 @ | " | 1 60 | 1 45 | 1 25 | 1 25 | 1 60 | 1 45 | 1 25 | 1 25 |

@ Rates still in effect. 9451

NOTE.—It will be observed by reference to the above statement that the present rates to Jersey City, f. o. b. car floats on anthracite coal are lower than they have 9452
been during the last 26 years, with the exception of the period May 10, 1894, to September 7, 1896, when the rate on prepared sizes was 5 cents per ton lower than the present rate. During that period, there was a general demoralization of the anthracite coal rates; the rate on prepared sizes being reduced 20 cents per ton. Shippers during that period were selling coal at less than cost as a result of the panic conditions. Notwithstanding these facts, however, the rates today on buckwheat

9453 and smaller sizes from both regions are lower than they were during that depressing period, or in fact, any time during the past 26 years.

With the exception of a *reduction* in the rates on rice and barley coal, it will be observed the present rates to Jersey City, f. o. b. car floats, are precisely the same as they have been for the last 17 years.

STATEMENT OF RATES (PER GROSS TON) ON ANTHRACITE COAL FROM THE LEHIGH AND WYOMING REGIONS TO POINTS ON THE N. Y. N. H. & H. R. R. VIA L. V. R. R. DIRECT TO JERSEY CITY.

9454

| | To Springfield, Mass. | | | | To Worcester, Mass. | | | |
|---|---|---|---|---|---|---|---|---|
| | Prepared Sizes | Pea | Buck | Rice & Barley | Prepared Sizes | Pea | Buck | Rice & Barley |
| November 15, 1898 | $2 85 | $2 85 | $2 85 | $2 85 | $3 05 | $3 05 | $3 05 | $3 05 |
| August 1, 1899 | 2 85 | 2 85 | 2 85 | 2 85 | 3 55 | 3 55 | 3 55 | 3 55 |
| June 24, 1901 | 2 85 | 2 85 | 2 85 | 2 85 | 3 25 | 3 25 | 3 25 | 3 25 |
| May 5, 1902 | 2 85 | 2 85 | 2 85 | 2 85 | 2 85 | 2 85 | 2 85 | 2 85 |
| July 7, 1903 | | | All | rates | cancelled | | | |
| July 22, 1903 | 2 85 | | | | 2 85 | | | |
| January 11, 1904 | 2 75 | 2 60 | 2 45 | 2 30 | 2 85 | 2 70 | 2 55 | 2 40 |
| June 24, 1907 | 2 75 | 2 65 | 2 45 | 1 95 | 2 85 | 2 75 | 2 55 | 2 05 |
| January 7, 1908@ | 2 75 | 2 65 | 2 45 | 2 25 | 2 85 | 2 75 | 2 55 | 2 35 |

@ Rates still in effect.

9455

## North Bound Rates

In 1858, the North Branch Canal Company obtained permission from the Legislature to build a railroad on either bank of the Canal running from Wilkes-Barre to the State line near Sayre, Pa., and by the same act, its name was changed to the Pennsylvania and New York Canal and Railroad Company.

In 1866, the Lehigh Valley Railroad Company being desirous of obtaining an outlet from the Wyoming Region to the northern and western markets, secured con-
9456 trol of the North Branch Canal Company, which had been incorporated to take title to a part of the Pennsylvania Canal System, and had bought the part of the Canal between Northumberland and the State Line. Prior to the acquisition by the Lehigh Valley Railroad, the North Branch Canal had disposed of that part of its line between Northumberland and Wilkes-Barre, and retained the section between Wilkes-Barre and New York State Line.

When the Lehigh Valley Railroad obtained control in 1866, construction work was commenced, and the road completed in 1870, a distance of 102 miles, connecting with the Erie Railroad at State Line. The Erie Railroad, however, was broad gauge (six feet) and as the Lehigh Valley line from Wilkes-Barre to State Line was standard gauge, it was necessary to transfer at State Line all cars containing coal for points on or via the Erie Railroad. Because of the increasing business, and in order to facilitate the handling of Lehigh Valley coal, the Erie Railroad about 1875 put in standard gauge, third rail, from Waverly to Elmira. Later this standard gauge third rail was extended to Buffalo under arrangement whereby the Lehigh Valley Railroad furnished the money, which was returned out of trackage payments. 9457 9458

November 1, 1870, the lateral rates from the various mines on the Lehigh Valley in the Wyoming Region to Lackawanna Junction (now known as Pittston Junction), ran from three cents to thirty-five cents per gross ton. The rate from Lackawanna Junction to Waverly was $2.53 per gross ton in lots of 25 tons or more, and $2.63 per gross ton in lots of less than 25 tons. An allowance of fifteen cents per gross ton was made if the car was unloaded within twenty-four hours. On shipments to State Line for Buffalo, Rochester and through shipments to points west of Salamanca the proportion from Lackawanna Junction to Waverly was $1.53 per gross ton, without any allowance. On shipments destined to all other through points the proportion from Lackawanna Junction to Waverly was $1.76 per gross ton. 9459

July 1, 1873, the lateral charges from mines to Lackawanna Junction also ran from three to thirty-five cents per gross ton, and the local rate from Lackawanna Junction to Waverly was $2.10 per gross ton without any restrictions or allowances. From Lackawanna Junction to Elmira, the rate was $2.18 per gross ton without any restrictions or allowances. 9460

December 1, 1875, the rate from Lackawanna Junction to State Line on shipments destined to points on the Erie Railroad—Buffalo, Rochester and points west, was $1.51 per gross ton. The proportion from the mines to Lacka-

9461 wanna Junction was considered an arbitrary. On through shipments to Buffalo, Rochester, Fair Haven and all through points, the rate per ton per mile charged was a pro rata of fifty-seven per cent. of the average circular price of grate, egg, stove and nut per gross ton on cars or floats at Buffalo, N. Y., divided as follows:

P&NY RR ..... 95 miles
Erie RR ..... 166 "

On coal shipped through Waverly pockets, the P. & N. Y. R. R. received ten cents per ton additional.

9462 The Rochester rate was 86.2 per cent. of the Buffalo rate and ten cents per ton added for transfer from narrow to broad gauge cars at Waverly on coal going via Erie Railroad. Ithaca and Watkins shipping rate was 50.57 per cent. of Buffalo rate. Fair Haven and Charlotte rates were 80.07 per cent. of Buffalo rate.

In October, 1873, the rate from Lackawanna Junction to Buffalo, Erie delivery was $3.96 per gross ton, and N. Y. C. delivery $3.97 per gross ton; Rochester, Erie delivery $3.39 per gross ton, Rochester, N. Y., N. Y. C.

9463 delivery $3.40 per gross ton.

In March, 1875, the rate from *Lackawanna Junction* was to Buffalo, Erie Railroad delivery $4.12 per gross ton, N. Y. C. delivery $4.10 per gross ton,—Rochester, N. Y., Erie delivery $3.54 per gross ton, N. Y. C. delivery $3.52 per gross ton.

The present rates from all *mines* on the L. V. R. R. to Buffalo, N. Y., are

$2.00 per gross ton on prepared sizes,
1.75 " " " " pea and smaller,

9464 and on coal to Buffalo for transshipment by water,

$2.25 per gross ton on prepared mines,
2.00 " " " " pea and smaller.

In May, 1875, the rate from *Lackawanna Junction* to Fair Haven and Oswego was $2.90 per gross ton. The present rates from all mines on the L. V. R. R. to North Fair Haven, N. Y., for transshipment by water, are

$1.80 per gross ton on prepared sizes,
1.65 " " " " pea and smaller.

The present local rates to Oswego, N. Y. (NYC) are 9465

$1.95 per gross ton on prepared sizes,
1.70 " " " " pea and smaller.

At the present time we have no rate to Oswego for transshipment by water.

In December, 1878, the rate from Coxton to Buffalo, N. Y., was $2.70 per gross ton, and to Rochester, N. Y., was $2.43 per gross ton, Erie Railroad delivery and N. Y. C. delivery.

January 1, 1881, the rate from Lackawanna Junction to State Line was $1.13 per gross ton. If the coal was 9466 loaded in returning box cars, the rate would be eleven cents per ton less.

It must be remembered that in addition to the rates named above from Lackawanna Junction, there were lateral charges from the mines to Lackawanna Junction running in some cases as high as thirty-five cents per gross ton.

In May, 1880, the average through rate from the Wyoming Region to Buffalo was $2.77 per gross ton in coal cars and $2.47 per gross ton in box cars, and from 9467 the Lehigh Region $3.02 per gross ton in box cars.

In September, 1882, the rate from the Wyoming Region to Buffalo was $3.00 per gross ton in coal cars and $2.70 per gross ton in box cars, and from the Lehigh Region $3.57 per gross ton in coal cars and $3.27 per gross ton in box cars.

In April, 1889, the rate was $2.00 per gross ton on all sizes in all kind of cars from the Wyoming Region and the Lehigh Region to Buffalo.

The demands of the Erie Railroad finally forced the 9468 Lehigh Valley Railroad to seek an independent outlet for its coal,—therefore there followed the development of its system in the State of New York by organization of the Lehigh Valley Railway Company in 1882, a terminal company at Buffalo. The Buffalo and Geneva Railway was organized by the Lehigh Valley Railway Company in 1889 to construct the main line between Geneva and Buffalo. The Geneva and Van Ettenville Railway was organized by the Lehigh Valley Railway in 1889 to build a line from Van Etten Junction to Geneva.

9469 In 1890, the Lehigh Valley Railway, The Geneva and Van Ettenville Railway, and the Buffalo and Geneva Railway were merged under the name of the Lehigh Valley Railway Company, These three companies at the time of the merger constituted projection of a through line to Buffalo.

On August 3, 1903, there was merged into the Lehigh Valley Railway, the Rochester Southern Railway, the Depew and Tonawanda Railroad, the Seneca County Railway and the Waverly and State Line Railway Com-
9470 pany.

STATEMENT OF RATES (per gross ton) ON ANTHRACITE COAL FROM LEHIGH AND WYOMING REGIONS TO BUFFALO, N. Y., VIA LEHIGH VALLEY RAILROAD DIRECT.

| Effective | Local | | Reshipment by Rail | | F.O.B. Vessel | |
|---|---|---|---|---|---|---|
| | Prepared Sizes | Pea & Smaller | Prepared Sizes | Pea & Smaller | Prepared Sizes | Pea & Smaller |
| Sept. 1, 1892 | $2.50 | $2.50 | $2.50 | $2.50 | $2.80 | $2.80 |
| May 1, 1893 | 2.25 | 2.25 | 2.25 | 2.25 | 2.55 | 2.55 |
| March 28, 1894 | 2.25 | 2.25 | 2.00 | 2.00 | 2.30 | 2.30 |
| April 2, 1894 | 2.00 | 2.00 | 2.00 | 2.00 | 2.30 | 2.30 |
| 9471 Aug. 5, 1895 | 1.75 | 1.75 | 1.75 | 1.75 | 2.05 | 2.05 |
| Nov. 15, 1895 | 2.00 | 2.00 | 2.00 | 2.00 | 2.30 | 2.30 |
| Sept. 7, 1896 | 2.25 | 2.00 | 2.25 | 2.00 | 2.55 | 2.30 |
| May 8, 1899 | 2.00 | 1.75 | 2.00 | 1.75 | 2.25 | 2.00 |
| Jan. 1, 1900 | 2.25 | 2.00 | 2.25 | 2.00 | 2.50 | 2.25 |
| May 14, 1900# | 2.00 | 1.75 | 2.00 | 1.75 | 2.25 | 2.00 |

NOTE.—It will be observed from the above statement that the present rates to Buffalo local, Buffalo for reshipment by rail, and Buffalo f. o. b. vessel are as low or lower, with one exception, than they have been during the past 21 years.

For three months during 1895, rates lower than the
9472 present basis were in effect, and that is accounted for by the fact that during that period there was a general demoralization of the rate structure in all directions. Shippers were also selling coal during these three months at prices lower than cost.

Notwithstanding the great changes in the operating conditions at various times, and the admitted necessity for increased revenue, the present rates to Buffalo are the same as they were 13 years ago, no change having been made during all that time.

9473

STATEMENT OF RATES (per gross ton) ON ANTHRACITE COAL FROM LEHIGH AND WYOMING REGIONS TO WESTERN POINTS VIA LEHIGH VALLEY RAILROAD DIRECT TO BUFFALO.

| Effective | TO | | | |
|---|---|---|---|---|
| | Chicago Ill. | Peoria Ill. | E. St. Louis Ill. | St. Louis, Mo. |
| September 12, 1892 | $4.00 | .... | .... | .... |
| October 15, 1892 | 4.25 | .... | .... | .... |
| February 8, 1893 | 4.00 | .... | .... | .... |
| April 16, 1894 | 3.50 | .... | .... | .... |
| May 14, 1894 | | $3.75 | $4.00 | .... |
| Withdrawn Sept. 2, 1895 | | | | |
| November 15, 1895 | 3.50 | 3.75 | 4.00 | .... |
| Withdrawn Jan. 6th, 1896 | | | | |
| May 11, 1896 | 3.50 | 3.75 | 4.00 | .... |
| January 1, 1900 | 4.00 | 4.25 | 4.50 | .... |
| May 14, 1900 | 3.50 | 3.75 | 4.00 | .... |
| March 1, 1906 | 3.50 | 3.75 | 4.00 | $4.10 |
| September 10, 1908# | 3.50 | 3.75 | 4.00 | 4.00 |

9475

# Still in effect.

## L. V. R. R. EXHIBIT NO. 80.

I. C. C. No. D-338. 9475

LEHIGH VALLEY RAILROAD COMPANY

COAL FREIGHT DEPARTMENT

GENERAL NOTICE No. 107.

All the rates issued by the Lehigh Valley Railroad Company and applying on interstate shipments of Anthracite Coal, in carloads, from collieries in the Lehigh, Wyoming and Schuylkill Regions and way-billed at Packerton, Pa., or Lizard Creek Junction, Pa., include the privilege of dumping cars or stopping (with the coal held in cars) to complete consignment, at storage plants of shippers, at points enroute on Lehigh Valley R. R. The regular published rate less 9476

55 cents per gross ton on Prepared Sizes
40 " " " " " Pea.
20 " " " " " Buckwheat and
10 " " " " " Rice and Barley,

will be charged from the original shipping point to the

9477 storage point as a part of the through rate, and when coal is reforwarded from the storage point, billing will be corrected to read through from the original shipping point to ultimate destination on basis of the published through rate, but if no through rate is issued to the ultimate point of destination then the shipment will be charged and billed on basis of the published through rate from the original shipping point to a point to which through rate is issued, nearest ultimate destination. This arrangement will apply only on a shipment
9478 reforwarded beyond a storage point. The partial rate so charged does not apply to shipments to the storage point local, or to intermediate points. The balance of the local rate will be charged and collected on any coal that may be taken from storage plants for local use. No demurrage charges will be assessed at the storage point on cars loaded with coal stopped and held for complete consignment.

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Issued March 6, 1909. Effective April 7, 1909.

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9479 Issued by
WM. T. GRIER,
Coal Freight Agent, L. V. R. R. Co.
New York.

I. C. C. No. D-339

LEHIGH VALLEY RAILROAD COMPANY

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Coal Freight Department

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9480 GENERAL NOTICE No. 108

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All the rates issued by the Lehigh Valley Railroad Company and applying on Interstate shipments of Anthracite Coal, in carloads, from collieries in the Lehigh, Wyoming and Schuylkill Regions and way-billed at Coxton, Pa., include the privilege of dumping cars or stopping (with the coal held in cars) to complete consignment at storage plants of shippers, at points en-

route on Lehigh Valley R. R. The regular published rate less 9481

50 cents per gross ton on Prepared Sizes and
25 " " " " " Pea and smaller sizes,

will be charged from the original shipping point to the storage point as a part of the through rate, and when coal is reforwarded from the storage point, billing will be corrected to read through from the original shipping point to ultimate destination on basis of the published through rate, but if no through rate is issued to the ultimate point of destination, then the shipment will be 9482 charged and billed on basis of the published through rate from the original shipping point to a point to which through rate is issued, nearest ultimate destination. This arrangement will apply only on a shipment reforwarded beyond a storage point. The partial rate so charged does not apply to shipments to the storage point local, or to intermediate points. The balance of the local rate will be charged and collected on any coal that may be taken from storage point for local use. No demurrage charges will be assessed at the storage point 9483 on cars loaded with coal stopped and held for complete consignment.

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Issued March 6, 1909 Taking Effect April 7, 1909

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Issued by
WM. T. GRIER,
Coal Freight Agent, L. V. R. R. Co.
New York.

TARIFF I. C. C. No. D-562. 9484
Cancels I. C. C. No. D-513.

No Supplement to this Tariff will be issued except for the purpose of cancelling the Tariff.

LEHIGH VALLEY RAILROAD COMPANY

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GENERAL NOTICE NO. 134.
Cancels General Notice No. 129

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All the rates issued by the Lehigh Valley Railroad

9485 Company applying on Anthracite Coal, in carloads, from collieries and washeries in the Lehigh ,Wyoming and Schuylkill Regions, include the privilege of dumping cars or stopping (with the coal held in cars) to complete consignment, at storage plants of shippers, at points en route on Lehigh Valley Railroad.

On shipments consigned to storage plants involving an interstate movement, the local rates to such storage points, as published and filed with the Interstate Commerce Commission, will be charged on account.

9486 On shipments consigned to Ransom, Pa., for storage, local rate of fifty ($.50) cents per ton of 2,240 pounds will be charged on account, and on shipments consigned to Hudsondale, Pa., for storage, local rate of forty ($.40) cents per gross ton will be charged on account.

The storage time limit is two years.

When coal is reforwarded from storage points, rates in effect on date of original movement will be applied from the mines to new destination.

No charge will be made for reconsigning.

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9487 ADDITIONAL CHARGES, ALLOWANCES AND PRIVILEGES.

All charges, allowances and privileges which apply on shipments moved under this tariff and are not specifically shown in the tariff itself, are published in other tariffs lawfully filed by this company with the Interstate Commerce Commission.

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Issued May 1, 1913. Effective June 1, 1913.

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Issued by

9488 C. A. BLOOD, Freight Traffic Manager, New York, N. Y.
WM. T. GRIER, General Coal and Freight Agent, New York, N. Y.
T. CLEM BECK, Chief of Tariff Bureau, New York, N. Y.

## L. V. R. R. EXHIBIT NO. 81. 9489

LIST OF LOCAL ANTHRACITE COAL TARIFFS ISSUED BY THE LEHIGH VALLEY RAILROAD, AND NOW IN EFFECT, MAKING RATES FROM COLLIERIES, WASHERIES AND STATIONS IN THE LEHIGH, SCHUYLKILL AND WYOMING REGIONS.

| I. C. C. No. | Effective | To |
|---|---|---|
| D-508 | April 25,1912 | Points on Lehigh Valley R. R. west of Sayre, Pa. |
| D-509 | April 15, 1912 | Points on New Jersey & Lehigh Div. of Lehigh Valley R. R. |
| D-561 | June 1, 1913 | Newark Bay Transfer, N. J., f. o. b. vessel for transshipment by water. 9490 |
| D-573 | July 23, 1913 | Port Delaware, N. J., f.o.b. vessel for transshipment by water. |
| D-576 | August 1, 1913 | 60th Street, North River, N. Y. |
| D-583 | August 1, 1913 | Wilkes-Barre, Pa. for beyond |
| D-588 | August 7, 1913 | Tomhicken, Pa. for beyond |
| D-592 | August 1, 1913 | East Penn Junction, Pa. and South Bethlehem, Pa. for points on Philadelphia & Reading Ry. |
| D-600 | October 25, 1913 | Shenandoah, Pa. and Shenandoah Junction, Pa. |
| P. S. C. Pa. No. | | |
| H-2 | February 22, 1914 | Harleigh, Pa. |
| H-6 | April 1, 1914 | Lehigh Valley R. R. points. |
| H-7 | March 2, 1914 | Black Diamond Colliery for preparation 9491 |
| H-10 | April 25, 1912 | Lehigh Valley R. R. points |
| H-14 | April 1, 1911 | Lehigh Valley R. R. points |
| H-23 | April 1, 1911 | Lehigh Valley R. R. Points. |
| H-24 | April 29, 1911 | White Haven, Pa. |
| H-25 | July 1, 1911 | White Haven, Pa. |
| H-26 | August 1, 1911 | Hickory Run, Pa. |
| H-27 | August 1, 1911 | Wilkes-Barre, Pa. |
| H-30 | March 1, 1912 | Pittston, Pa. |
| H-32 | April 22, 1912 | Pittston Junction, Pa. |
| H-34 | May 11, 1912 | Moosehead, Pa. |
| H-35 | June 15, 1912 | Dupont, Pa. |
| H-36 | June 15, 1912 | Weatherly, Pa. |
| H-38 | September 25, 1913 | White Haven, Pa. |
| H-40 | September 15, 1913 | Weatherly, Pa. 9492 |
| H-41 | November 24, 1913 | Wilkes-Barre, Pa. |
| H-42 | December 27, 1913 | Mauch Chunk and Packerton, Pa. |
| H-51 | January 1, 1914 | Jeddo No. 4 and Highland No. 5 Collieries |
| H-54 | January 1, 1914 | Buck Mountain Colliery |
| H-82 | June 6, 1914 | Various collieries for preparation. |

9493

## L. V. R. R. EXHIBIT NO. 82.

LIST OF JOINT ANTHRACITE COAL TARIFFS ISSUED BY THE LEHIGH VALLEY RAILROAD, AND NOW IN EFFECT, MAKING RATES FROM COLLIERIES, WASHERIES AND STATIONS IN THE LEHIGH, SCHUYLKILL AND WYOMING REGIONS.

| I. C. C. No. | Date Effective | To Points On | In Connection With |
|---|---|---|---|
| D-322 | Nov. 2, 1908 | Pennsylvania R. R. and Connections | Pennsylvania R. R., New York, Philadelphia & Norfolk R. R. etc. |
| 9494 | | | |
| D-371 | Apl. 15, 1910 | Buffalo, Rochester & Pittsburgh Railway | Buffalo, Rochester & Pittsburgh Railway. |
| D-374 | Apl. 30, 1910 | Lehigh & Hudson River Ry. | Lehigh & Hudson River Ry. |
| D-378 | May 16, 1910 | Rutland Railroad | New York Central & Hudson River R. R. and West Shore R. R. |
| D-390 | Jul. 14, 1910 | Lehigh & New England R. R. | Lehigh & New England R. R. |
| D-409 | Nov. 21, 1910 | Boston & Maine R. R. and St. Johnsbury & Lake Champlain R. R. | West Shore R. R., Boston & Maine R. R. and St. Johnsbury & Lake Champlain R. R. |
| D-418 | Mar. 3, 1911 | Long Island R. R. and South Brooklyn Ry. | Long Island R. R. and South Brooklyn Ry. |
| 9495 | | | |
| D-421 | Mar. 4, 1911 | Genesee & Wyoming R. R. | Genesee & Wyoming R. R. |
| D-423 | Mar. 4, 1911 | Central Railroad of New Jersey | Central Railroad of New Jersey |
| D-429 | Mar. 21, 1911 | New York, Auburn & Lansing R. R. | New York, Auburn & Lansing R. R. |
| D-431 | Mar. 24, 1911 | Staten Island Rapid Transit Ry. | Staten Island Rapid Transit Ry. |
| D-436 | Mar. 28, 1911 | Jamestown, Chautauqua & Lake Erie Ry. | Pennsylvania R. R. |
| D-437 | Mar. 28, 1911 | South Brooklyn Ry. | Bush Terminal Co. |
| D-441 | Mar. 28, 1911 | Grafton & Upton R. R. | New York, New Haven & Hartford R. R. and Boston & Albany R. R. |
| D-443 | Apl. 3, 1911 | Rahway Valley R. R. | Rahway Valley R. R. |
| 9496 D-446 | Apl. 29, 1911 | Lake Shore & Michigan Southern Ry. | Lake Shore & Michigan Southern Ry. |
| D-449 | May 1, 1911 | New York, Chicago & St. Louis R. R. | New York, Chicago & St. Louis R. R. |
| D-450 | May 1, 1911 | Dunkirk, Allegheny Valley & Pittsburgh R. R. | Lake Shore & Michigan Southern Ry. |
| D-452 | May 1, 1911 | New York Central & Hudson River R. R. and West Shore R. R. | New York Central & Hudson River R. R. and West Shore R. R. |
| D-453 | May 1, 1911 | New York Central & Hudson River R. R. | New York Central & Hudson River R. R. |
| D-454 | May 1, 1911 | Pennsylvania R. R. | Pennsylvania R. R. |
| D-460 | Jun. 16, 1911 | Canadian Pacific Ry. | New York Central & Hudson River R. R. |

## L. V. R. R. EXHIBIT NO. 82—(Continued). 9497

| I. C. C. No. | Date Effective | To Points On | In Connection With |
|---|---|---|---|
| D-464 | Jul. 17, 1911 | Grand Trunk Ry. | New York Central & Hudson River R. R. |
| D-466 | Jul. 22, 1911 | New York Central & Hudson River R. R. and West Shore R. R. | New York Central & Hudson River R. R. and West Shore R. R. |
| D-476 | Dec. 29, 1911 | To Durham, N. J. for points on Northern R. R. of New Jersey, etc. | West Shore R. R. |
| D-485 | Dec. 31, 1911 | New York, Ontario & Western Ry. | New York, Ontario & Western Ry. |
| D-487 | Dec. 1, 1911 | Cortland County Traction Co. | Cortland County Traction Co. 9498 |
| D-505 | Mar. 21, 1912 | Central Vermont Ry., etc. | New York Central & Hudson River R. R. and West Shore R. R. |
| D-514 | June 7, 1912 | Grand Trunk Railway | Buffalo, Rochester & Pittsburgh Ry. |
| D-523 | Sep. 22, 1912 | Quebec, Montreal & Southern R. R. | New York Central & Hudson River R. R. and Rutland R. R. |
| D-527 | Oct. 24, 1912 | Grand Trunk Railway | New York Central & Hudson River R. R. and Rutland R. R. |
| D-548 | Feb. 15, 1913 | New York, Westchester & Boston Ry. | New York, New Haven & Hartford R. R. |
| D-550 | Feb. 17, 1913 | Michigan Central R. R., Chicago & Alton R. R., Illinois Central R. R., etc., etc. | Michigan Central R. R., Wabash R. R., Pere Marquette R. R., New York, Chicago & St. Louis R. R., Lake Shore & Michigan Southern Ry., etc. 9499 |
| D-586 | Aug. 7, 1913 | Central Railroad of New Jersey | Central Railroad of New Jersey. |
| D-587 | Aug. 7, 1913 | Marion, N. J. for points on Erie R. R., etc. | Pennsylvania Railroad |
| D-599 | Oct. 11, 1913 | Maine Central Railroad | West Shore R. R. and Boston & Maine R. R. |
| D-639 | Dec. 29, 1913 | New York, New Haven & Hartford R. R., Grafton & Upton R. R., etc. | New York, New Haven & Hartford R. R. |
| D-641 | Dec. 21, 1913 | Buffalo & Susquehanna R. R. | South Buffalo Ry. 9500 |
| D-652 | Mar. 21, 1914 | Central R. R. of New Jersey | Central R. R. of New Jersey |
| D-653 | Feb. 23, 1914 | Pennsylvania Railroad | Pennsylvania Railroad |
| D-655 | Apl. 26, 1914 | Raquette Lake Ry. | New York Central & Hudson River R. R. |
| D-658 | Apl. 18, 1914 | Boston & Albany R. R. | West Shore R. R. |
| D-659 | Apl. 26, 1914 | West Shore R. R. | West Shore R. R. |
| D-661 | May 18, 1914 | Ottawa & New York R. R. | New York Central & Hudson River R. R. and Rutland R. R. |
| D-662 | May 6, 1914 | Central R. R. of New Jersey | Central R. R. of New Jersey |

9501 **L. V. R. R. EXHIBIT NO. 82—(Continued).**

| I. C. C. No. | Date Effective | To Points On | In Connection With |
|---|---|---|---|
| D-672 | June 18, 1914 | New York & Long Branch R. R. and Raritan River R. R. | Central R. R. of New Jersey |
| D-673 | June 18, 1914 | Raritan River R. R. | Pennsylvania Railroad |
| D-674 | June 10, 1914 | Canadian Pacific Railway | New York Central & Hudson River R. R. |
| D-675 | June 29, '14 | Delaware & Raritan Canal | Pennsylvania Railroad |
| 9502 D-439 | Mar. 28, 1911 | Norwood & St. Lawrence R. R. | New York Central & Hudson River R. R. |
| D-508 | Apl. 25, 1912 | Lehigh Valley R. R. | Central R. R. of New Jersey and Lehigh & New England R. R. |
| P. S. C. Pa. No. | | | |
| H-21 | June 4, 1903 | Susquehanna & New York R. R. | Susquehanna & New York R. R. |
| H-29 | Mar. 1, 1912 | Williamsport & North Branch R. R. | Williamsport & North Branch R. R. |
| H-33 | June 1, 1912 | Ironton Railroad | Ironton Railroad. |

9503

9504

## L. V. R. R. EXHIBIT NO. 83. 9505

LIST OF JOINT ANTHRACITE COAL TARIFFS ISSUED BY OTHER ROADS, MAKING RATES FROM POINTS ON LEHIGH VALLEY RAILROAD TO POINTS ON CONNECTING LINES.

| I. C. C. No. | Date Effective | Issued by | From | To |
|---|---|---|---|---|
| 11170 | Sep. 1, 1912 | Delaware & Hudson Co. | "Miners Mills" Colliery | Delaware & Hudson Co. points 9506 |
| 11719 | Jul. 20, 1914 | Delaware & Hudson Co. | "Miners Mills" Colliery | Cooperstown & Charlotte Valley R. R. |
| 5155 | Mar. 1, 1913 | New York, Ontario & Western Ry. | "William A" Coll'y. | Various points on New York, Ontario & Western Ry. |
| AA-289 | Aug. 25, 1909 | Pennsylvania R. R. | Various points on DS&S Branch | Chicago, Ill. etc. etc. |
| AA-365 | May 2, 1910 | Pennsylvania R. R. | Various points on DS&S Branch | Kankakee, Ill. |
| AA-352 | Apl. 30, 1910 | Pennsylvania R. R. | Various points on DS&S Branch | Peoria, Ill. |
| AA-358 | May 2, 1910 | Pennsylvania R. R. | Various points on DS&S Branch | Michigan Central R. R. 9507 |
| A-1124 | Aug. 28, 1906 | Pennsylvania R. R. | Various points on DS&S Branch | Pennsylvania R. R. and New York Central & Hudson River R. R. |
| AA-341 | Apl. 18, 1910 | Pennsylvania | Various points on DS&S Branch | Western points. |

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## L. V. R. R. EXHIBIT NO. 84.

LIST OF JOINT ANTHRACITE COAL TARIFFS ISSUED BY THE LEHIGH VALLEY RAILROAD, AND NOW IN EFFECT, MAKING RATES FROM COLLIERIES AND STATIONS IN THE BERNICE REGION.

| I. C. C. No. | Date Effective | To Points On | In Connection With |
|---|---|---|---|
| D-379 | May 19, 1910 | New York Central & Hudson River R. R. and West Shore R. R. | New York Central & Hudson River R. R. and West Shore R. R. |
| 9510 | | | |
| D-404 | Oct. 17, 1910 | Delaware & Hudson Company | Delaware & Hudson Company |
| D-414 | Feb. 10, 1911 | Buffalo, Rochester & Pittsburgh Ry. | Buffalo, Rochester & Pittsburgh Ry. |
| D-422 | Mar. 4, 1911 | Boston & Maine R. R. | West Shore Railroad |
| D-430 | Mar. 21, 1911 | Boston & Albany Railroad | New York Central & Hudson River R. R. |
| D-434 | Mar. 24, 1911 | Staten Island Rapid Transit Ry. | Staten Island Rapid Transit Ry. |
| D-435 | Mar. 24, 1911 | Rutland R. R. | New York Central & Hudson River R. R. |
| D-455 | May 1, 1911 | Pennsylvania Railroad | Pennsylvania Railroad |
| D-462 | Jun. 16, 1911 | Jamestown, Chautauqua & Lake Erie Ry. | Pennsylvania Railroad |
| D-470 | Sep. 26, 1911 | Central Vermont Ry., Woodstock Ry., etc. | New York Central & Hudson River R. R. and Rutland R. R. |
| 9511 | | | |
| D-483 | Dec. 31, 1911 | Cooperstown & Charlotte Valley R. R. | Delaware & Hudson Company |
| D-494 | Jan. 1, 1912 | Grand Trunk Ry. | New York Central & Hudson River R. R. |
| D-545 | Jan. 20, 1913 | New York, Auburn & Lansing R. R. | New York, Auburn & Lansing R. R. |
| D-564 | May 26, 1913 | Dunkirk, Allegheny Valley & Pittsburgh R. R. | Lake Shore & Michigan Southern Ry. |
| D-568 | Jun. 19, 1913 | Buffalo & Susquehanna R. R. | South Buffalo Railway |
| D-589 | Aug. 7, 1913 | Central R. R. of New Jersey | Central R. R. of New Jersey |
| D-590 | Aug. 7, 1913 | Pennsylvania Railroad | Pennsylvania Railroad |
| D-605 | Dec. 29, 1913 | New York, New Haven & Hartford R. R., Grafton & Upton R. R., etc. | New York, New Haven & Hartford R. R. |
| 9512 | | | |
| D-618 | Apl. 1, 1914 | Ottawa & New York Railway | New York Central & Hudson River R. R. and Rutland R. R. |
| D-640 | Nov. 21, 1913 | New York Central & Hudson River R. R. and West Shore R. R. | New York Central & Hudson River R. R. and West Shore R. R. |
| D-656 | Apl. 26, 1914 | Canadian Pacific Railway | New York Central & Hudson River R. R. |
| P. S. C. Pa. No. | | | |
| H-31 | Apl. 11, 1912 | Pennsylvania Railroad | Pennsylvania Railroad |
| H-13 | May 15, 1914 | New York Central & Hudson River R. R. | Susquehanna & New York R. R. |

## L. V. R. R. EXHIBIT NO. 85. 9513

LIST OF LOCAL ANTHRACITE COAL TARIFFS ISSUED BY THE LEHIGH VALLEY RAILROAD, AND NOW IN EFFECT, MAKING RATES FROM COLLIERIES AND STATIONS IN THE BERNICE REGION

| I. C. C. No. | Effective | To |
|---|---|---|
| D-386<br>D-482<br>D-654 | June 7, 1910<br>December 31, 1911<br>April 15, 1914 | Points on Lehigh Valley R. R.<br>Bernice, Pa. for beyond<br>Points on Lehigh Valley R. R. 9514 |

9515

9516

9517 **L. V. R. R. EXHIBIT NO. 86.**

EXTRACT FROM MEETING OF BOARD OF DIRECTORS OF LEHIGH VALLEY RAILROAD, HELD AT THE GENERAL OFFICES OF THE COMPANY, 228 SOUTH THIRD STREET, PHILADELPHIA, AUGUST 24, 1905.

The president reported to the Board that the Certificates of Indebtedness, dated June 30, 1905, issued by The Lehigh Valley Coal Company to the Lehigh Valley Railroad Company, in payment for the capital stocks of
9518 the Hazleton, Connell, Seneca and Righter Coal Companies, and of the Wyoming Coal & Land Company, had been deposited with the Girard Trust Company as additional collateral security under this Company's General Consolidated Mortgage, pursuant to the provisions of Section 9 of Article Two of that Mortgage; that under (e) and (2) of Section 1 of Article Three of said Mortgage, he was advised by the General Solicitor that the said Trustee will not be entitled to collect the principal or interest of the indebtedness represented by said Certificates unless this Company shall be in default under
9519 its said Mortgage, and that (in the absence of such default) the Railroad Company will be entitled under the above Paragraph (2) to receive the principal and interest of any such indebtedness assigned to or pledged with the Trustee, and that the Trustee will be under obligation to execute any reassignments or releases which may be required for that purpose.

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The President further called the attention of the
9520 Board to the following letter from the Trustee, confirmatory of the above view, which, on motion, was ordered to be spread upon the minutes:

"July 13, 1905. 9521

LEHIGH VALLEY RAILROAD COMPANY GENERAL CONSOLIDATED MORTGAGE.

Dated September 30, 1903.

E. B. Thomas, Esq.,
President, Lehigh Valley Railroad Company,
New York, N. Y.

Dear Sir:—

9522 I beg to acknowledge receipt of your favor of June 21st, handed me by Mr. Drinker yesterday, and note that the stock of The Lehigh Valley Coal Company will be increased sufficiently to absorb the stock of the Hazleton Coal Company, that this new stock will be placed in our hands under the above mortgage. I further note that it is your purpose for the Lehigh Valley Coal Company to acquire certain other properties, for which it will give its Certificates of Indebtedness and that these Certificates will also be deposited with us as additional security under the terms of the above mentioned mortgage. It is 9523 our understanding that in the event of these certificates being paid off the Railroad Company will be entitled to receive the principal and interest thereof, and that the Trustee will be under obligation to execute any re-assignments or releases which may be required for that purpose, provided that the Railroad Company shall not at that time be in default under the above mortgage.

Very truly yours,
(Sig.) W. N. ELY,
Vice President." 9524

9525 **L. V. R. R. EXHIBIT NO. 87.**

STATEMENT OF LEGISLATIVE POLICY OF PENNSYLVANIA, NEW YORK AND NEW JERSEY TOWARD COMBINATION OF ANTHRACITE PRODUCTION AND ANTHRACITE TRANSPORTATION INTERESTS.

**Lehigh and Susquehanna Railroad.**

In 1818 the Pennsylvania Legislature (Act of March 20th 1818, 7 Sm. L., 86), granted Josiah White, George F. A. Hauto and Erskine Hazard, who owned large tracts
9526 of coal lands, certain rights to improve the navigation of the Lehigh River. Messrs. White, Hauto and Hazard transferred these rights to an association called the Lehigh Navigation Company. They conveyed their coal lands to an association called the Lehigh Coal Company. Those two associations amalgamated themselves into a single association called the Lehigh Navigation and Coal Company, which thereafter had the right to both mine and transport anthracite coal.

In 1822 the Pennsylvania Legislature (Act of Feb-
9527 ruary 13th, 1822, P. L., 21), reciting the foregoing rights and that the last mentioned company required additional funds to improve the navigation of the Lehigh River and further reciting that "It is, for reasons frequently repeated in preambles to Acts of this Legislature, the manifest interest of the Commonwealth to promote by all proper means an object so important to the State," made the association previously called the Lehigh Navigation and Coal Company into a corporation with the name "The Lehigh Coal and Navigation Company," and vested all the lands and rights belonging to the older
9528 association in the corporation so created, and authorized the corporation "at any time within a year from the passage of this act, to commence a slack water navigation in the river Lehigh."

In 1837, the Pennsylvania Legislature (Act of March 13th, 1837, P. L., 53), authorized this new company to construct and operate a railroad from Wilkes-Barre over the divide to a connection with the slack water navigation of the Lehigh near White Haven.

In 1863 the Pennsylvania Legislature (Act of March 4th, 1863, P. L., 99), after reciting the destruction of a part of the company's navigation system by disastrous floods, authorized the company to construct along or near "the site heretofore occupied by the said navigation" a railway extending from the terminus of its existing railway near White Haven to Mauch Chunk, and in 1864 (Act of March 16th, 1864, P. L., 11), authorized the company to extend the railroad from Mauch Chunk down the valley of the Lehigh to and across the river Delaware and to connect in that vicinity with any railroads then or thereafter constructed in the State of New Jersey. 9529 9530

In 1868 the company completed its railroad to and across the Delaware River and for a time operated the railroad for itself, the railroad being colloquially known as the Lehigh and Susquehanna Railroad.

In 1871 the company leased its railroad to the Central Railroad Company of New Jersey, which will be discussed below.

DELAWARE AND HUDSON COMPANY. 9531

In 1823 the Pennsylvania Legislature by an Act of March 13th (Laws of Penn, 1823, Chapter 61), granted to Maurice Wurts, who owned a large body of "stone coal lands," broad rights to improve the navigation of the river Lackawaxen, and the New York Legislature by an Act of April 23rd (New York Session Laws of 1823, Chapter 238), reciting the desirability for opening a channel through which the city of New York, and other parts of this State, may receive a supply of stone coal which is found in the interior of the State of Pennsylvania," and reciting Maurice Wurts' ownership of "a large body of this valuable article situated near the headwaters of the River Lackawaxen, which empties into the River Delaware opposite the County of Sullivan," and the Pennsylvania grant of authority to him to improve the navigation of that river, granted a charter to the Delaware and Hudson Canal Company. 9532

9533 By this charter the company was authorized in the eighth article to construct a canal from the Delaware River through any one or more of the counties of Orange, Sullivan and Ulster to the Hudson River, and the company was authorized in the twenty-first article to acquire Maurice Wurts' rights of navigating the River Lackawaxen and to acquire "any lands containing stone coal that he or any other person may own at or near the headwaters of the said river."

In 1825 the Pennsylvania Legislature by an Act of
9534 April 21st (Laws of 1825, Chapter 78), after reciting the above mentioned Act of April 23rd, 1822, authorized the company "to purchase and hold any quantity of lands situated at any place within ten miles of the waters of Lackawaxen not exceeding 5,000 acres."

In 1826 the Pennsylvania Legislature (Laws of 1826, Chapter 67), in order to provide for the company's transportation of coal from its coal beds to its canal authorized the company to construct and maintain railways for that purpose.

In 1827, the New York Legislature by an Act of March
9535 10th (Session Laws of New York, 1827, Chapter 62), lent the credit of the State to the company to further the ends of the charter already granted.

In 1867, the New York Legislature, by an Act of May 9th (Session Laws of New York, 1867, Chapter 841), provided that in addition to the powers already conferred upon the company "for the purpose of opening and of mining and of bringing to market a supply of stone coal which is found in the interior of the State of Pennsylvania, it shall be lawful for the said canal
9536 company, for the purpose of increasing said supply of coal to construct, own and maintain railroads within the State" and to lease railroads there existing or thereafter created and acquire the stock of bonds of such railroad companies.

In 1859 the Pennsylvania Legislature, by an Act of March 12th (Laws of 1859, No. 123), authorized the company to extend its railroads and also "to purchase and hold an additional quantity of 3,000 acres of land in the Townships of Fell, Carbondale, Blakely and Provi-

dence in the County of Luzerne, for the purpose of 9537
carrying on their operations."

In 1861 the Pennsylvania Legislature, by an Act of April 11th (Laws of 1861, No. 275), authorized the company "for the purposes of their coal business" to construct certain branch or lateral roads or tracks.

In 1863, a Pennsylvania Senate Committee, appointed for that purpose, investigated the condition of the company to determine whether it had exceeded its corporate rights or violated its charter privileges. The Committee reported on April 13th, 1863, and after summarizing the Pennsylvania authorities above quoted, 9538
stated that "their general business, and that which their charter and its supplements warrants, is known to be mining coal and transportation," and that the company had not exceeded its powers as a corporation.

In 1866 the Pennsylvania Legislature, by an Act of September 20th (Laws of 1867, No. 1414), authorized the company, "to purchase and hold 5,000 additional acres of land in the County of Luzerne, and in 1868 this authority was confirmed and re-enacted (Laws of 1868, No. 855). 9539

In 1870 and 1871 (Laws of 1870, No. 533, Laws of 1871 No. 701), the Pennsylvania Legislature authorized the company to construct additional railroads.

In 1899 the New York Legislature, by an Act of April 28th (Laws of New York, 1899, Chapter 469), authorized the company to abandon and sell its canal and change its name to "The Delaware and Hudson Company."

THE LEHIGH VALLEY RAILROAD COMPANY.

In 1830, the Pennsylvania Legislature by an Act of 9540
April 7th, 1830 (Laws of 1830, page 392), granted a charter to the Beaver Meadow Railroad and Coal Company, authorizing it to construct a single or double railroad from the Beaver Meadow coal mines in Northampton County to a convenient point on the Lehigh River at any place above Mauch Chunk and providing that "the real estate in which it shall be lawful for the said company to hold in their own right in trust or otherwise shall not exceed at any time two hundred acres

9541 of coal land, besides what shall be necessary for the railroad hereinafter mentioned and coal roads and landing places as may be proper for the use of the said company," and that "nothing herein contained shall be so construed as to giving or granting said Company any manufacturing or trading privileges or any other privileges beyond what may be necessary to the perfect completion of the said railroad and carrying on a business of mining, transporting and vending coal and receiving the tolls authorized by this act." By a supple-
9542 mentary act of January 29th, 1833 (Laws of 1833, page 18), the Beaver Meadow Railroad Company was granted the right "to hold in their own right 800 acres of land in addition to what they are now authorized to hold, provided the said land shall be contiguous to that now held by the said company or to a route which may be fixed upon their railroad," and by a further supplementary act of March 20th, 1849 (Laws of 1849, page 185), that company was authorized to hold additional lands not exceeding 2,000 acres and not to be located at a greater distance than seven miles from the land
9543 then held. This company was merged and consolidated into the Lehigh Valley Railroad on July 8th, 1864.

In 1836, the Pennsylvania Legislature (Laws of 1835-1836, page 129), incorporated the Hazelton Coal Company for "the purpose of mining of coal and for transacting the other business of companies engaged in the mining, transporting to market and selling of coal and the other products of coal mines," and authorized that company to hold 200 acres of land and also such lot or lots not exceeding three acres in any one place as might
9544 be found convenient for places of deposit for mining products. In 1839 the Pennsylvania Legislature, by an Act of March 8th, 1839 (Laws of 1839, page 49), authorized that company "to exercise all the privileges and powers granted by Act of March 20th, 1838, to the Laurel Hill Coal Company for the construction of a railroad from the Hazelton Railroad to the river Lehigh," and in 1856, by an Act of January 12th, 1856 (Laws of 1856, page 2), authorized it to hold 1,000 additional acres of land not to be located more than ten

miles from the lands then held. In 1865 by an Act of March 9th, 1865 (Laws of 1865, page 299), the Pennsylvania Legislature changed the corporate name of the Hazelton Coal Company to Hazelton Railroad Company, and on May 25th, 1868, the latter company was merged and consolidated into the Lehigh Valley Railroad Company. 9545

In 1846 the Pennsylvania Legislature, by an Act of April 21st, 1846 (Appendix to Laws of 1848, page 575), authorized the incorporation of the Delaware, Lehigh, Schuylkill and Susquehanna Railroad Company, and in 1853 (Laws of Pennsylvania, 1853, page 1), the corporate name of that company was changed to Lehigh Valley Railroad Company. 9546

In 1869 the Pennsylvania Legislature by an Act of April 15th, 1869 (Laws of 1869, page 31), authorized "railroad and canal companies to aid corporations authorized by law to develop the coal, iron, lumber and other material interests of this Commonwealth, by the purchase of their capital stock and bonds or either of them, or by guarantee of or agreement to purchase the principal and interest or either of such bonds." From time to time after the enactment of this statute and prior to 1874 the Lehigh Valley Railroad Company became a stockholder in several coal companies organized under the laws of Pennsylvania. 9547

## Delaware, Lackawanna and Western Railroad Company.

In pioneer days the Drinker family of Philadelphia had acquired 25,000 acres of coal lands in Lackawanna, Pike, Wayne and Susquehanna Counties and had built a sixty mile turnpike to develop these lands. 9548

In 1832 the Pennsylvania Legislature (Act of April 7th, 1832, Laws of 1832, No. 134), incorporated the Ligett's Gap Railroad Company and authorized it to construct a railroad at a point in Cobb's Gap near Scranton, Pennsylvania, "to a point on the New York State line in Susquehanna County passing through the coal region on the Lackawanna and Ligett's Gap." This railroad was a gradual evolution of the Drinker turnpike project.

9549 In 1849, the Pennsylvania Legislature (Act of April 9th, 1849, Laws of 1849, page 648), authorized the Ligett's Gap Railroad Company "to purchase and hold a reasonable amount of coal lands," not to exceed 1,000 acres.

In the same year also the Pennsylvania Legislature by an Act of April 7th, 1849 (Appendix to Laws of 1851, No. 470), granted a charter to the Delaware and Cobb's Gap Railroad Company authorizing it to construct a railroad beginning at the Delaware River near Water
9550 Gap, thence by a "practicable route terminating at or near Cobb's Gap in the Counties of Luzerne or Wayne."

In 1851, the Pennsylvania Legislature by an Act of April 14th, 1851 (Laws of 1851, No. 338), changed the corporate name of the Ligett's Gap Railroad Company to the Lackawanna and Western Railroad Company and in 1853 (Act of March 11th, 1853, Laws of 1853, No. 123), authorized the consolidation of the Lackawanna and Western Railroad Company and the Delaware and Cobb's Gap Railroad Company under the corporate name of The Delaware, Lackawanna and Western Rail-
9551 road Company. The latter company thus had rights, dating from 1832, to own both railroads and coal properties.

In 1843 the New York Legislature by an Act of April 18th, 1843 (Session Laws of New York, 1843, Chapter 221), granted a charter to the Cayuga and Susquehanna Railroad Company, and in 1851 by an Act of April 8th, 1851 (Session Laws of New York, 1851, Chapter 103), authorized that company "to make contracts with any corporations or individuals whereby a sufficient supply
9552 of coal may be secured for the use and benefit of said company or to be distributed by them" and "to employ so much of its capital for the purpose of mining, transporting and vending coal and in the purchase of such real estate not exceeding 5,000 acres of coal land and personal property as they may deem necessary for the purpose aforesaid." On April 21st, 1855, the Cayuga and Susquehanna Railroad Company leased its railroad to the Delaware, Lackawanna and Western Railroad Company.

In 1855, the Pennsylvania Legislature by an Act of March 22d, 1855 (Laws of 1855, page 110), authorized The Delaware, Lackawanna and Western Railroad Company to "increase the quantity of their coal lands to an amount not exceeding (with those already acquired) (2,000 acres and to hold said coal lands and to mine, purchase, transport and vend coal," and in 1856 the Pennsylvania Legislature by an Act of March 8th, 1856 (Laws 1856, page 107), authorized The Delaware, Lackawanna and Western Railroad Company to borrow money and to purchase anthracite coal mined from other lands than those owned by it and also to purchase and hold, near Elizabethport, N. J., "such quantity of land as may be necessary for depot, wharfage, and coal yard accommodations for its business not exceeding fifty acres." 9553 9554

In 1856 the Pennsylvania Legislature by an Act of April 19th, 1856 (Laws of 1857, page 784), granted a charter to the Northwestern Coal and Iron Company authorizing it to "take and hold lands and real estate on lease and in fee simple, and to mine, prepare for market, sell and dispose of cannel and bituminous coal, iron ores, fire clay and other minerals on their lands, and to manufacture iron * * * or other products of their minerals or lands, and to convey the said minerals or the products thereof to market," and "to construct such lateral or branch railroads, not exceeding twenty miles in length." The Pennsylvania Legislature made successive changes in the corporate name of the Northwestern Coal and Iron Company, the last change being to the name of Keyser Valley Railroad Company by an Act of March 13th, 1865 (Laws of 1865, No. 332). In 1865 the Keyser Valley Railroad Company was merged and consolidated into The Delaware, Lackawanna and Western Railroad Company. 9555 9556

From 1864 to 1867 The Pennsylvania Legislature incorporated the Nanticoke Coal and Iron Company (Laws of 1864, No. 345), the Steuben Coal Company (Laws of 1865, No. 1111), and the Granby Coal Company Laws of 1867, No. 1176). Each of these companies was empowered to hold coal lands, mine and vend coal

9557 and transport the same to market. In 1868 the two last mentioned companies were merged and consolidated into the Nanticoke Coal and Iron Company, and in 1870 the latter was merged and consolidated into the Delaware, Lackawanna and Western Railroad Company.

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY.

In 1847 the New Jersey Legislature by an Act of February 26th, 1847 (Laws of 1847, page 128), incorporated
9558 the Somerville and Easton Railroad Company, and in 1849 by an Act of February 22d, 1849 (Laws of 1849, page 90), changed the corporate name of that company to the Central Railroad Company of New Jersey.

In 1871, for the purpose of securing to its line the transportation of the anthracite coal produced by the Lehigh Coal and Navigation Company, and two other coal mining companies subsequently merged and given the name of the Lehigh and Wilkes-Barre Coal Company, the Central Railroad Company of New Jersey
9559 leased the Lehigh and Susquehanna Railroad, the line above mentioned as owned by the Lehigh Coal and Navigation Company.

In 1874 the New Jersey Legislature (Act of March 21st, 1874, Laws of New Jersey, 1874, page 1176), after reciting that "The Central Railroad Company of New Jersey are the lessees, in perpetuity, of the railroad, branches and works of the Lehigh Coal and Navigation Company in the State of Pennsylvania," and that "in order to secure a paying business for their said railroad and works, it may be advisable and necessary that
9560 the said The Central Railroad of New Jersey should guarantee the payment of such bonds as may be issued, from time to time, by companies owning or working coal land adjacent to any of the said roads or works" authorized the Central Railroad Company of New Jersey "a majority in interest of their stockholders consenting thereto, to guarantee the payment of the bonds of any coal company or companies owning or working coal lands along the line of, or adjacent to, any of the railroads, branches or works in the State of Pennsylvania,

so held by lease by the said Company, and in which 9561
lands the said Company may or may not have an interest."

By various earlier acts now amended into the form of Section 51 of the General Corporation Law of New Jersey the Central Railroad Company is possessed of the power to hold the shares of the capital stock, bonds, securities or evidences of indebtedness created by any corporation of the State of Pennsylvania, and while the owner of such stock may exercise all rights, powers and privileges of ownership, including the right to vote 9562
thereon.

THE PHILADELPHIA AND READING RAILWAY COMPANY.

In 1833 the Pennsylvania Legislature by an Act of April 4th, 1833 (Laws 1833, No. 76), granted a charter to the Philadelphia and Reading Railroad Company, authorizing it to build a railroad "beginning at or near the borough of Reading, in Berks County, and terminating at some suitable point in or near the city of Philadelphia."

During the forty years ensuing after its incorporation 9563
this company as a result of stock purchase, lease and other methods of acquisition, gained control over innumerable small roads, chiefly in the anthracite regions, and forming the nucleus of the present Reading System.

In 1871, the Pennsylvania Legislature by an Act of May 18th, 1871 (Laws of 1871, No. 817), granted a charter to the Laurel Run Improvement Company authorizing it to acquire coal lands and mine and vend coal. By the fifth section of this charter it was pro- 9564
vided that "it shall be lawful for any railroad or mining company existing under the laws of this state to subscribe for or purchase the stock or purchase or guarantee the bonds of the company hereby incorporated." Nearly all of the stock of this company was acquired by the Philadelphia and Reading Railroad Company and on December 12th, 1871, the name of the Laurel Run Improvement Company was changed to the Philadelphia and Reading Coal and Iron Company.

9565 In 1869 Mr. Charles E. Smith resigned as president of the Railroad Company and Mr. Franklin B. Gowen was chosen in his place and under his administration the policy of the company underwent a change. It was in the annual report of the company for the year ending November 30th, 1871, that the changed policy was announced by the management and the Coal and Iron Company first appeared in the accounts. The part of that report giving the reasons that influenced the management in the acquisition of stock in the coal mining
9566 company is as follows:

"The repeated and serious interruptions of the business of the Company, caused by strikers in the coal regions during the last few years, and the many fluctuations in the coal trade, produced by alternate periods of expansion and depression resulting therefrom, have directed the attention of the Managers of the Company to the necessity of exercising some control over the production of coal so as to prevent a recurrence of the difficulties here-
9567 tofore experienced; and it was believed that the best way of accomplishing this result, without injuriously affecting individual interests, was for the Company to become the owners of coal lands situate upon the line of its several branches.

"Up to this time about 70,000 acres of the best anthracite coal lands in Pennsylvania have been acquired, and will be held by an auxiliary company, known as the Philadelphia and Reading Coal and Iron Company, of which the Philadelphia and Reading Railroad Company is the only stockholder.

9568 "The result of this action has been to secure and attach to the company's railroad a body of coal land capable of supplying all the coal tonnage that can possibly be transported over the road for centuries. This result has been obtained without imposing any serious financial burden upon the company, for the lands purchased are already so far developed that it is estimated they will produce in rents, during the year 1872, $1,200,000; and it is believed that in less than three years the net annual

revenue arising from the lands will be greater than 9569
the interest payable upon the loan issued to secure them." Report of January 8th, 1872, pages 16 and 17.

In the reference to the anticipated rentals above is reflected the original policy of the Coal Company, which was to be merely a landlord owning coal lands and leasing them to individual operators on royalty. This policy proved unsuccessful, however, and the Coal Company was forced to abandon it after a trial of three 9570
years and embark in the business of mining and marketing coal.

The conditions which compelled this change of policy are described at pages 26 and 27 of the annual report issued January 11th, 1875.

"An experience of one or two years as landlords showed how utterly inadequate, under existing circumstances, the individual tenants were to develop and improve the estate"; first, because they had not sufficient capital to mine properly; and, second, 9571
because the depression resulting from the strikes had given little encouragement to individuals to engage in mining. Therefore, your managers resolved (page 27), to become miners of the coal themselves; and for this purpose, in addition to "expenditures for purchasing, opening and improving collieries," they go on to say "a large investment was made, outside of the coal regions, to enable them to handle and successfully dispose of the product of the mines. Large retail yards in the 9572
city of Philadelphia, wharves and shipping facilities in New York and the various eastern ports have been purchased and erected; and it is believed that no other company now possesses greater advantages than those of the Philadelphia & Reading Coal & Iron Company, in the ability to mine coal economically, and to dispose of a large product to the best advantage; the only improvement yet wanted to

9573 complete the system, being a depot capable of storing at one place at least five hundred thousand tons of coal, in order to keep the collieries constantly at work, and avoid the expense of stopping them whenever orders are scarce, or vessels not in sufficient supply to carry away the products."

In 1893 both the Philadelphia and Reading Railroad and the Philadelphia and Reading Coal and Iron Company went into the hands of receivers of the Federal
9574 Courts. In 1896 purchasers at the Receiver's sale bought, among the other assets of the railroad company, the stock of the coal company and later transferred it to what is now the Reading Company. At the same time the same purchasers bought the remaining assets of the railroad and transferred most of them to the Philadelphia and Reading Railway Company, whose stock was also owned by what is now the Reading Company.

ERIE RAILROAD COMPANY.

9575 In 1832 the New York Legislature by an Act of April 24th (Laws of 1832, Chapter 224), incorporated the New York and Erie Railroad Company. In 1861, under special acts of the New York Legislature (Session Laws of New York, 1860, Chapter 160 Laws of 1861, Chapter 191), this Company was organized as the Erie Railway Company.

In 1878 the Erie Railway Company was reorganized under the laws of New York, as the New York, Lake Erie and Western Railroad Company, and in 1895 the
9576 latter company was reorganized as the Erie Railroad Company.

In 1838 the Pennsylvania Legislature (Laws 1838, No. 73), granted a charter to the Pennsylvania Coal Company giving it the right of "transacting the usual business of companies engaged in mining, transporting to market and selling coal and other products of coal mines," and the power to purchase and lease coal lands

and to "construct railroads with one or more tracks." 9577
Its powers in these respects were enlarged by subsequent Acts (Laws 1839, No. 155; Laws 1841, No. 157; Laws 1849, No. 115, and No. 354; Laws 1850, No. 250; Laws 1853, No. 140; Laws 1857, No. 85; Laws 1864, No. 365; Laws 1867, No. 634; Laws 1868, No. 1018). In 1853, in particular, the Pennsylvania Legislature (Laws 1853, No. 140), authorized the Pennsylvania Coal Company to "extend its two tracks of railroad * * * to connect with the New York and Erie Railroad, or to such points in the State of New Jersey or New York as the 9578
respective Legislatures of said States may authorize," and "to connect or consolidate with, or lease some railroad or canal in the said States of New Jersey or New York, and acquire, hold, exercise the rights, privileges and franchises of such corporation in such manner and on such terms as may be mutually agreed upon." In 1862 the New York Legislature (Session Laws of New York, 1862, Chapter 66), provided that "if any corporation organized or to be organized in the States of New Jersey or Pennsylvania, shall undertake to construct a coal road to connect the same with the road 9579
of the Erie Railway Company, between Oxford Station in Orange County and Deposit in the County of Delaware, for the transportation of coal, said Erie Railway Company is hereby authorized to lease said coal road, and to contract for the leasing and operation of the same, and for the transportation of coal over said coal road, and upon any road that may be owned or operated by said Erie Railway Company." Pursuant to the authority thus conferred by the Pennsylvania and New York Legislatures, the Pennsylvania Coal Company 9580
constructed a coal road, later known as the Erie and Wyoming Valley Railroad, from a connection at Hawley, Pennsylvania, with a gravity railroad already constructed, to a connection with the Erie Railway Company's railroad between Oxford Station and Deposit, and on January 1st, 1864, leased this coal road to the Erie Railway Company. This coal road now forms the Hawley Branch of the Erie.

In 1851 the Pennsylvania Legislature by an Act of April 28th, 1851 (Laws 1851, No. 378), granted a charter

9581 to the Jefferson Railroad Company. Under this charter and the supplement thereto (Act of March 18th, 1863, Laws 1863, page 160), a railroad was constructed from Carbondale, Pa., to a connection with the railroad of the Erie Railway Company at Lanesboro, Pa., primarily for the purpose of furnishing an outlet for anthracite coal from the northerly end of Lackawanna Valley where the Hillside Coal and Iron Company conducts its operations. In 1869 the Jefferson Company was leased to the Erie Railway Company.

9582 In 1867 the Pennsylvania Legislature by an Act of April 12th, 1867 (Appendix, to Laws of 1869, page 1312), incorporated the Hillside Coal and Iron Company authorizing that company to "purchase and hold in fee simple, by lease or otherwise, coal, iron, mineral and lumber lands in this Commonwealth, not exceeding at any one time 5,000 acres, with power to connect said lands by railroad not exceeding twenty miles in length, with other railroads, canals or public improvements also with power to use its capital in purchasing, mining, vending and transporting to market coal, iron, lumber
9583 and other products of their lands. Nearly all of the capital stock of this company was acquired by the Erie Railway Company and subsequently became the property of the Erie Railroad Company in 1895.

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## L. V. R. R. EXHIBIT NO. 88.

**Portions of the Testimony of George Otis Smith, Director of the United States Geological Survey, Before Committee of the Senate re Alaska Soft Coal Lands, Printed in Senate Documents, Volume 40, 61st Con-**
9584 **gress, Third Session, 1910-1911, being Vol. 7 of the Investigations of the Interior Department and Forestry Bureau.**

(Pages 3478-9)

Mr. Graham: In brief, you would be logical, as you see it, and permit the railroads to own, operate, and control the coal mines along their lines?

Mr. Smith: In many cases the coal mines would not be opened unless the railroad operated in such opening.

Mr. Graham: That is scarcely an answer to my ques- 9585
tion. What do you say to my proposition?

Mr. Smith: Well, a proposition that strikes at the very fundamental consideration of these big questions, and there is no larger question in industrial America to-day than the coal question, I think can not be answered by yes or no——

Mr. Graham: Unless it is a railroad question?

Mr. Smith: Well, the railroad question is largely a question of coal. You can not separate the two. You can not have railroads under existing conditions with- 9586
out coal, and you can not have coal development without the railroads.

Mr. Graham: We want to get your view point. Am I right in assuming that your theory of it is that you think it better if the railroads were permitted to own, and did own, and operate the coal mines?

Mr. Smith: I would assent to that in this respect, that that would mean the development of our coal resources, the operation of our coal fields, by large units. I think we might drop that word monopolization. It is
not monopolization that is the conserving agent—it is 9587
not the monopoly that conserves; it is the large unit that conserves. And I should say that the operation of the coal mines by the large and strong interests which control also the railroads in a given field would be a conserving practice, because it would involve large units.

Mr. Graham: In the interests of economical operation?

Mr. Smith: In economical operation, and it would reduce the actual cost.

Mr. Graham: Now, following out that logic—— 9588

Mr. Smith: May I also add the second part of my answer?

Mr. Graham: Certainly. I beg your pardon.

Mr. Smith: Which is that I want to see the Government, by law, control the large unit. There is no use of arguing for the development of large units in industry, unless at the same time the control of the large units is given to the Government. But the large unit in itself is the thing to be sought. The day is past for

9589 small operation in any industry of this country, and if we wish to bring back the old conditions, and which still persist; but if we wish to encourage the existence of small operations which mean nothing but wasteful competition, I think we would be working directly against the operation of natural law, and I do not think that natural law ought to be opposed either by executive order or by legislative enactment.

Mr. Graham: Following your logic to a step further, the railroads should also be allowed to own and control
9590 everything in the way of production into which the cost of transportation enters as a considerable element.

Mr. Smith: Right there, Mr. Graham, my logic and I part company, because coal——

Mr. Graham: Why?

Mr. Smith: You said following my logic.

Mr. Graham: If it is good, why do you not stick to it?

Mr. Vertrees: If you will allow the witness, I think he will explain it to you fully.

Mr. Smith: Because coal is not like other commodi-
9591 ties. Now the Congress, through the passage of various laws, has already secured control of one great commodity, if you will allow that expression, namely, transportation. It has fixed, through the Interstate Commerce Commission, the price of transportation. I suppose that is on the basis of that being an interstate matter, and transportation being of a quasi-public nature.

Mr. Graham: Let me remind you there that the fixing seems to be far from satisfactory, judging from present conditions.

9592 Mr. Smith: I do not suppose any kind of fixing would satisfy everybody, but I think you will admit that the condition in transportation matter, under governmental regulation, is far superior than it would be without such regulations.

Now, next to transportation, I know of no article that has more to do with the public than coal, and next coal I might put——

Mr. Graham: Iron?

Mr. Smith: Water power, because power is at the basis of our industrial life. And when we come to

legislate on this question we are considering the industrial life of the nation in a large way. 9593

(Pages 3482-5)

Mr. Smith: When I say a large unit I do not believe that means the largest unit. Of course the government operation of all of our industries would be an operation by the largest unit.

I might say that in the matter of steel production it is not necessary for this country that there should be one Steel Corporation, but that it is better to have two or three steel corporations producing iron and steel 9594 than to have two or three hundred, because the small units mean waste, and the large units, not one large unit, but large units, a comparatively small number of units, which therefore would be large units, means conserving production; and against that I would put the condition that we now have in so many States, and, if you allow me, Mr. Graham, in your own State, there are so many coal mines in operation that they only operate a part of the year, a condition, as you know, which is disastrous to everyone concerned. I will not say that they are all in bankruptcy, but they are not getting the fair 9595 profit that they ought to, the operators, the landowners, the mine workers, and the communities in general.

Mr. Graham: But there is no way to avoid it in my State.

Mr. Smith: I think there could be a way in your State.

Mr. Graham: The demand for coal varies with the seasons. Our coal will not bear storage, and it has to be mined when needed. In order to have enough to supply the needs of the cold weather there must be 9596 enough men employed, so that in fine weather, when less is needed, a great many of them will necessarily be idle.

Mr. Smith: Yes, sir.

Mr. Graham: There is no way to equalize that. If one owned all the coal mines in the State they could not arrange it otherwise.

Mr. Smith: I think there should be less mines in the State. I base my statement not on my own ideas but the ideas, for instance, expressed to me at the same

9597 time by the state president of the operators' association and the state president of the mine workers.

Mr. Graham: I concede that there is waste in the present plan, but we are saved from the evil of having one great dominant force in our State that would control almost everything in it.

Mr. Smith: Let us have a half a dozen in your State rather than the thouands of operators.

Mr. Graham: The present plan has developed our State with reasonable speed; we are not behind.

9598 Mr. Smith: You have a shorter year for mine workers, I believe, than in most States. It seems to me a false economy to have miners working less than two hundred days in a year, as they do some years, when a possible year would be three hundred days.

Mr. Graham: But in view of what I have suggested, how would you avoid it?

Mr. Smith: Why, I think that if you had, perhaps, ten companies or have a combination of any number——

Mr. Graham: As soon as the fine spring weather comes the chairman of the committee and his people in

9599 Minnesota quit ordering our coal and we could not send it there after they cease to buy it.

Mr. Smith: I suppose that is so, but if you had a combination of operators under authority of law, not in restraint of trade, but in encouragement of conserving and profitable production I think you would be in better condition. You would then find that the market conditions were met, as they ought to be.

Take as an illustration the water-power development. Water power, to my mind, is a natural monopoly. To

9600 get the best results within an area which is determined by the radius of the economical transmission, and I believe in California some such areas have already been determined, where areas that have already been determined are a hundred miles by a hundred and fifty miles. The best results are secured by having them developed as one unit of development, and thereby you get your varying demands—you meet the varying demands for electric current, for instance, by having the peak loads, as they are technically called, in one district or

one point of the area that is consuming this electricity 9601
offset by the low demand in another, and by having all of the different developed power sites tributary to one or more transmission lines of one unit of operation you have the fluctuations of the market offsetting each other in part and you secure the most economical development and operation. But applying that to the case you have, I think very likely the fluctuating demand from Minnesota for Illinois coal might be offset by having a different fluctuation in the demand from the——

The Chairman: You do not want to overlook the 9602
fact that the demand for Illinois coal might be off when we get some of this Guggenheim coal in Minnesota.

Mr. Smith: Yes; there are all of those possibilities. There are so many possibilities that I cannot state them all.

Mr. Graham: That would be an awful fall, Mr. Chairman, from Illinois to Guggenheim. Mr. Chairman, I beg the Committee's pardon for taking up so much time.

The Chairman: Well, I thought we did not want to overlook this fact. 9603

Senator Purcell: It is a fact, is it not, Mr. Smith, that a great many people contend that a transportation company ought not to own any of the commodities in which it is engaged in carrying. You knew that to be the contention of some?

Mr. Smith: I knew that to be a fact.

Senator Purcell: You do not believe in it, do you?

Mr. Smith: I consider that an artificial restriction upon the natural law of industry and commerce.

Senator Purcell: Your idea is that a transportation 9604
company being public or quasi-public corporation, should have the right to go out and acquire all the wood lands or coal lands that it is able to acquire unrestricted, do you?

Mr. Smith: I would not go any further than coal with regard to the railroads.

Senator Purcell: But you would go to the extent of coal?

Mr. Smith: I believe there is a precedent in that. I think that was the real purpose why our transconti-

9605 nental lines, the first ones, were given grants which included coal and iron.

Senator Purcell: It is a fact, is it not—I beg your pardon.

Mr. Smith: But excluded other mineral wealth.

Senator Purcell: It is a fact, is it not, in recent years agitation has arisen that demanded that the coal fields of Pennsylvania should be taken away from the transportation companies?

Mr. Smith: I think I said in my answer to Mr. Gra-
9606 ham that I was not convinced that that was the best way to secure results.

Senator Purcell: But it is a fact that you know of that agitation, do you not?

Mr. Smith: Yes, sir.

Senator Purcell: That agitation was brought about, you know, as a matter of fact, because of the oppressive action of the mine owners and the railroads, do you not?

Mr. Smith: Yes, sir.

Senator Purcell: Well now, if your position then is
9607 true, would it not be putting the power of the railroads and transportation companies in Alaska or anywhere else to do just exactly what they did in Pennsylvania against which the people complained?

Mr. Smith: How long would they have that power if Congress put a restriction upon the way that they disposed of this product on the ground that it was an article of interstate commerce, an article upon which the whole industrial life of the nation depended?

Senator Purcell: You would not contend that Con-
gress had the power to say to them that you shall sell
9608 a ton of coal at a certain figure, or not above a certain figure, would you?

Mr. Smith: Or not below.

Senator Purcell: Or not below a certain figure?

Mr. Smith: There is need for a minimum restriction as well as a maximum.

Senator Purcell: Now, Mr. Smith, is it not a fact, if your position on this question is correct, you are looking to conserve the waste in the mining of the coal only?

Mr. Smith: No, sir, I am not. I want to disclaim—— 9609

Senator Purcell: And do you take into consideration the opportunity for exorbitant charges that a monopoly of that kind would exercise and does exercise in its dealings with the public?

Mr. Smith: Because they are not restricted in their operations. I would not for a moment say that I was confining my interest in conservation to the avoidance of waste coal, for instance.

Senator Purcell: That is one of the reasons you gave for these large units you spoke of. 9610

Mr. Smith: That is only one. Another advantage of a large unit or a number of units is the production at a minimum cost. In other words, Senator, I think we can better afford to pay 10 per cent. profit to large units than to pay 1 per cent. or 6 per cent. to small units, because some of the small units in fact can not produce certain articles as cheaply as large units can sell them.

(Pages 3488-3492)

Mr. Vertrees: Just one question. I was going to ask Mr. Smith whether he or the members of the Geological 9611
Survey have any interests in coal-mining lands of any kind, or can have under the law in any way?

Mr. Smith: The statute provides that the Director of the Geological Survey and the members of the Survey shall have no interest in the mineral wealth of the region under survey. We have interpreted that as meaning—as we are trying to cover the whole of the United States and Alaska—that we shall have no interests, financial interests, in the mineral lands of the whole country.

Mr. Vertrees: Have you any? 9612

Mr. Smith: I have not.

Mr. Vertrees: Have any of the people that you know?

Mr. Smith: I made a census on that subject some time ago. I thought there might be some of the clerical force, or somebody who had nothing to do immediately with the mining work of the survey, might have some stock, and I found that they did, but I questioned very much, after I received statement of the kind of mining

9613 stock that they had, whether they had any financial interests. They have investments in mining stock. I find it is true; but no geologist, for instance, who has been at work in the mining region, or having anything to do with this mining work of survey, had any stock of any other interests.

Mr. Madison: They probably would have bought better stock if they had bought any?

Mr. Smith: Well, Mr. Madison, I might say that I am not sure on that point.

9614 Mr. Madison: Well, I am assuming that they would be able to tell where the good coal was.

Mr. Smith: Oh, yes; that would be true with regard to coal but the really inviting stocks are not always coal stocks. They do not produce as large dividends as the other stock, such as copper and gold and silver.

Senator Sutherland: Isn't there a law on the statute books which makes the location made by a deputy surveyor absolutely void?

Mr. Smith: I think there is, but that refers to the Land Office. We have a more general restriction than

9615 that even.

The Chairman: Is that all, Mr. Vertrees?

Mr. Smith: Mr. Chairman, I would like to include in my testimony this morning the statement on the conservation of coal in the United States which was made by Mr. Parker, of the survey. I think his word should have some weight—it was a public utterance—from the fact that he was a member of the Anthracite Coal Commission that settled the strike.

The Chairman: It will be admitted.

9616 Mr. Smith: And it bears upon the same question.

(Transactions of the American Institute of Mining Engineers).

THE CONSERVATION OF COAL IN THE UNITED STATES.

(By Edward W. Parker, Washington, D. C., Spokane Meeting, September, 1909.)

If one is to place any credence at all in the reports published in the daily press, the subject of conservation

has been a very lively topic of conversation during the 9617
past 60 days, and it does not appear that the temperature of the summer months has been in any way moderated by the discussion. It is a subject in which we are all vitally interested and to which, so far as our mineral resources are concerned, both the institute and the Geological Survey have liberally contributed. The report of the National Conservation Commission, appointed by President Roosevelt, contains a series of papers on the conservation of mineral resources, all of which were prepared by members of the Geological Sur- 9618
vey and were compiled largely from information previously collected by that federal bureau in the performance of its regular duties. It is not the purpose of this paper to reiterate in ex tenso any of the material already published. The contributions of the survey officials to the commission's report have been published in a separate document as Bulletin No. 394. This document is for free distribution and may be obtained upon application to the Director of the Survey. In the preparation of this paper I desire merely to make a few suggestions regarding the possible necessity of some re- 9619
straint upon or control of one branch of the mining industry with which I have been somewhat closely associated for the past 20 years—that of coal.

Most of the members of the institute are cognizant of the suits brought by the Government against the anthracite operators in Pennsylvania, or the combination of interests commonly known as the "hard-coal trust." No defense of any illegal combination in restraint of trade is intended, but there are some facts which should not be lost sight of, and unfortunately those whose 9620
opinions are based upon the "news" given to us by the daily press are likely to be governed by ex parte testimony. The present situation in the anthracite region is one that has been developed through sheer necessity, if the conservation of the supply of anthracite and the prolongation of the life of the fields in the best interests of the people were to be attained in any other way than through government control, and government control did not seem to be materalizing. I believe that even

9621 Doctor Raymond will subscribe to the statement that a good part of the history of anthracite mining has been one of profligate waste in the mining, preparation, and use of that precious supply of fuel; and this has only been remedied, none too soon, and could, under the circumstances, only be remedied by the close control and conservative management which have been bought about in recent years. And I might pause here to pay a merited tribute to such men as Doctor Raymond, Eckley B. Coxe, P. W. Sheafer, Franklin B. Gowen, William
9622 Griffith, and a few others through whose efforts many reforms which lessened of the waste of anthracite were effected. They were the pioneers in the battle for conservation, and a monument should be erected to them.

The securing by the Reading R. R. for its offspring, the Philadelphia & Reading Coal & Iron Co., of the great coal reserves it owns today, was the beginning of a great movement which was foreseen by those in a position to see. The Reading company was temporarily bankrupted through its guarantee of the debt thus incurred, but the
9623 possession and control of those coal lands are indirectly the most valuable assets of the railroad at the present time. More than this, however, in the ultimate economy of things, has been the preservation of thousands of acres of coal lands from reckless spoliation. The way was paved for the safe and sane control of the anthracite industry, albeit by a trust, and a stop was put to the cut-throat competition and extravagant methods which in earlier years had resulted in losses of millions of dollars in money and more than millions of tons of coal.

9624 Under former conditions in the anthracite regions, when it was not considered necessary to give thought to the morrow, and indeed up to the time when the Anthracite Coal Waste Commission made its report in 1887, it was estimated that for every ton of coal mined and sold 1.5 tons were lost. The greater part of this loss was in the coal left in the ground as pillars to protect the workings, while millions of tons of small coal or screenings were thrown on the culm banks which now form unsightly mountains in the coal regions. Improved

methods of mining and of preparation have of late years 9625
reduced the percentage of waste, so that at present the recovery will average about 60 per cent and the loss about 40 per cent. By the means of washeries usable coal is being saved from the old culm banks, and specially designed furnaces have made it possible to use this fuel in steam plants. It may also be possible in the future to recover a considerable part of the coal from the pillars in the old workings where they have not been hopelessly crushed by the settling of the overlying strata; but this could be done only at enormous expense com- 9626
pared with the present mining cost, and when the burning of anthracite coal shall have become a luxury and permitted only to the wealthy. Even in our day and generation it is only by the strictest economy and skillfull management in the operation of the mines that the price of coal to the consumer can be preserved as at present. The average price of anthracite at the mine ranges from $2.25 to $2.35 per long ton. What are known as "prepared sizes"—lump, broken, furnace, egg, stove, and chestnut—range from $3 to $3.75, and all the profit must be made on these. Pea and smaller 9627
sizes are sold at less than the cost of production, some as low as from 40 to 50 cents a ton. A careful study of conditions in the anthracite region will convince the most skeptical that no robbery of the public is now being carried on.

The securing of the close control or practical monoply that exists in the anthracite region of Pennsylvania has been made possible by the comparatively limited area of the fields. The total area is less than 500 sq. miles and conditions are ideal for a natural mo- 9628
nopoly. It is different in the bituminous fields which are scattered over 30 different States and Territories. These fields aggregate about 250,000 sq. miles in area, exclusive of approximately equal areas of lower-grade coals and lignites, and are for the most part easy of access, and do not require a very large amount of capital to develop a mine. A few thousand dollars is all that is needed at first, and as there are no restrictions on the development of new properties, every one own-

9629 ing land underlain by workable coal seems impelled to get it out, whether there is a profitable market for it or not. The United States produced in 1907, the banner year of industrial activity in the United States, nearly 400,000,000 tons of bituminous coal, including about 8,250,000 tons of subbituminous coal and lignite. In 1908, in spite of the business depression, the production was 332,500,000 tons. We could produce from the mines already open 600,000,000 tons, and we would not have to operate the mines on Sundays and holidays to do it. If
9630 the railroads supply the cars and the motive power, the mines will supply the coal. During 1907 there was, until the panic started in October, a widespread demand for transportation facilities which the railroad companies were unable to furnish. Complaints of car shortgage came from practically every important coal-producing district. The transportation interests were subjected to all sorts of condemnation for failure to serve their patrons and the public, and while I am by no means a defender of the railroad companies (particularly since the Hepburn bill went into effect), it is fair
9631 to state that the inadequacy of the car supply was in reality beneficial. It is doubtful if the markets could have absorbed, even in the phenominal activity of 1907, 5,000,000 more tons of bituminous coal, only 1.25 per cent more than the production. An increase of 5 per cent. in the car supply and in the production would unquestionably have created a surplus and resulted in a general demoralization in values. Notwithstanding these conditions, which are fairly well known among the coal men, new mining companies are constantly being
9632 formed and new properties opened up. The railroad companies are called upon to furnish additional switches and spurs and to provide more cars or to spread out even more thinly an already insufficient supply. As common carriers these companies cannot discriminate, and when called upon must furnish the transportation without favor. Each new mine thus opened calls for miners to work it, and miners, who are as a class nomadic, are inclined to seek employment in the newer mines. This condition reduces the supply of labor and curtails

the productive capacity of the older mines; and as re- 9633
duction of output means increased cost in operation; it would appear that many of these must close down as unprofitable before all of the coal that should be extracted is won.

Under our system of government and of control over mining operations any effective way of curbing the tendency on the part of coal-land owners to develop their properties or of protecting capital already invested in the industry is not apparent. The spirit of rivalry that exists throughout the coal-producing re- 9634
gions, district competing against district, and State against State, makes it useless to hope that state legislatures will place any restrictions upon the industry which will discourage further development. Yet every new mine opened has its influence on the creation of a surplus, which, while it may seem desirable to those who clamor for cheaper coal, is ultimately destructive of industry, lowers wages, and make necessary the practice of economies (?) that are prejudicial to safety to life and property in the operation of the mines.

The year 1907, if not the most prosperous year in the 9635
history of bituminous-coal mining, was one of the most prosperous years. Production reached its maximum and prices were the highest in recent years. Yet there were very few districts in which the margin between the cost of putting the coal on the railroad cars and the price at which it was sold was as much as 10 cents a ton. In many States it was considerably less than 10 cents, and this margin must cover such losses as are due to explosions and other accidents, indemnities paid to employees or their heirs, and all extraordinary expenses. 9636
One such explosion as that at Monongah, W. Va., in December, 1907, will wipe out many years' profits. In 1908 not only was the margin of profit much reduced in all the coal-mining districts, but thousands and hundreds of thousands of tons were sold at less than the cost of production. Of course, it is poor business to continue production at a loss, but a coal mine is not a factory nor a quarry. To close down a coal mine costs money. The mine must be kept clear of water; if the

9637 ventilation is stopped, gas accumulates; falls of roof and coal occur; and after a period of idleness much repair work has to be done before operations can be resumed. It is often less expensive in the long run to continue the production of coal at a loss than to close down the mine.

It is, perhaps, somewhat bold to suggest that the bituminous mines should be put under some sort of government control, but if they are not, I am frankly of the opinion that before many decades have passed the pro-
9638 tection of capital already invested will make it necessary to secure control by private enterprise of certainly the areas containing the higher grades of coal and to regulate the production acording to market requirements. Under our system of government the federal authorities have no jurisdiction over mines in the several states unless the power given them under the Constitution to regulate commer between the States could be stretched to apply to coal because of its bearing on interstate traffic. But it does look as if a choice will have to be made from three evils. The first of these is a continua-
9639 tion of the conditions as they now exist—a feasting for today and remorse for the morrow. The second is the ultimate control by a combination of interests that will make the "hard-coal trust" appear insignificant—to look "like thirty cents," as expressed in the vernacular, and the "water-power trust" would be of still less importance. The third is governmental supervision and and regulation—not ownership, however. The first will be bad, the second worse; the third is problematical. Under such government control bituminous coal mining
9640 could be regulated through a system of license; and in order that restriction on coal production may be secured, no license should issue for the opening of a new mine until ample proof is shown that the necessities of the people or of trade require it.

I do not believe that present conditions should continue—they certainly must not continue if our coal supplies are going to be considered—nor do I believe that it is the part of wisdom to permit the bituminous coal supplies to get into the control of a comparatively few

men living in New York and Chicago. It may be sug- 9641
gested that control by the several States is a fourth and best alternative. Under the competitive conditions to which I have referred it is not to be hoped or expected that the States will undertake to restrict developments in their respective jurisdictions any more than they will enact legislature which will restrict the miner in his personal liberty.

And speaking of the personal liberty of the miner, it is well known that not the least difficulty experienced in carrying on a coal-mining operation is the enforcement 9642
of discipline among the employees.

When humanity is shocked by the occurrence of some great disaster in a coal-mine, sympathy is poured out to the miners and invectives hurled against the mine-owners. He is without a soul who would withhold sympathy at such a time but scarcely less brutal is he who holds up to the condemnation of the world the ones in authority who have by all human endeavor striven to prevent the catastrophe. It is unfortunately true that the death-record in the coal-mines of the United States shows unfavorable comparison with other countries, but 9643
it cannot be truly said that the blame should attach to the operators alone. In the great majority of cases they who suffer death or injury in the coal-mines are victims of their own carelessness, or that of their fellow-employees. The year 1907, the one of greatest production in our history, was the darkest in regard to casualties, the death-list exceeding 3,000. At one time an epidemic of explosions seemed to exist, and scarcely had the echoes of one died away before another occurred. The victims from this cause—that is, from explosions alone 9644
—numbered nearly 1,000, or approximately one-third of the total number of men killed. The statistics show, however, that more than that number were killed by falls of roof, most of which are preventable if proper precautions are taken by the men, or if, in fact, they obey the rules of the companies. In ordinary years the majority of accidents are due to roof-falls or to other preventable causes, but these occur singly and are not chronicled in the news dispatches Even in the case of

9645 explosions, the cause may usually be traced, if any witnesses are alive to testify, to an act of carelessness or disobedience.

A prolific cause of mine explosions is what is known as a "windy shot," due to an improperly prepared blast, or to the failure on the part of the miner to undercut his coal, depending, as he frequently does, on the powder to do his work for him. Here it is that the strength of the mine workers' union might be exercised for good, but unfortunately, instead of helping to secure
9646 legislation which will hold miners criminally responsible for acts of carelessness or insubordination that may result in loss of life or damage to property, the miners' influence is exerted against it. Such legislation means a restriction of their liberties as American citizens. If in the effort to enforce discipline a mine-employee is discharged for infraction of rules, the result is, in the majority of cases, the precipitation of a strike, and the mine is laid idle for several days at least. Coal-mining is at best a hazardous occupation, and there is no line of industry in which military discipline is so essential,
9647 except perhaps in the passenger service of railroads and steamships. In European countries where fewer accidents occur, the operations are under strict police surveillance. Both miners and operators are made to obey the laws. When this is done in the United States accident will decrease, but the expense of mining will be increased and the price of coal will advance. On behalf of the mine-owners, it should be admitted that self-interest, if nothing else, compels the exercise of precautions against accidents. If they have no interest in
9648 securing the safety of their employees, they have at least a desire to protect their own properties. There are instances, it is true, where operators, like the men, take chances, where false economies are practiced, and where even ordinary precautions are not observed, but these, I honestly believe, are rare, very rare, exceptions.

## L. V. R. R. EXHIBIT NO. 89. 9649

STATEMENT SHOWING ITEMS EMBRACED BY THE CERTIFICATES OF INDEBTEDNESS RECEIVED BY LEHIGH VALLEY RAILROAD COMPANY FROM LEHIGH VALLEY COAL COMPANY, JUNE 30, 1905, AND REFERRED TO IN LEHIGH VALLEY RAILROAD COMPANY EXHIBIT No. 86.

| | |
|---|---|
| In re purchase of stock of the Connell Coal Co. | $412,000.00 |
| In re purchase of stock of Seneca Coal Co. | 773,000.00 |
| In re purchase of stock of Righter Coal Co. | 292,000.00 |
| In re purchase of stock of Warriour Run Mining Co. | 998,000.00 |
| In re purchase of stock of Wyoming Coal & Land Co. | 130,000.00 |
| Depreciation in value of $1,400,000 First Mortgage Bonds, Interest reduced to 4 per cent. | 98,000.00 |
| Hazleton Coal Company bonds | 724,000.00 |
| Loan used to retire Lehigh Valley Coal Co. Bonds (5-10 yr.) | 2,050,000.00 |
| Lehigh Valley Coal Co. Bonds (Mortgage 1897) cancelled | 5,000,000.00 |
| Wyoming Coal & Land Co. Bonds, paid off | 60,000.00 |
| Total | $10,537,000.00 |

9650

9651

9652

9653

# L. V. R. R. EXHIBIT NO. 90.

COMPARATIVE STATEMENT OF RENTALS OF CERTAIN COAL TRESTLES UNDER LEHIGH VALLEY R. R. AND PENNSYLVANIA R. R. PLANS.

| Location. | Lehigh Valley Plan.* | | | | Pennsylvania Plan. | |
|---|---|---|---|---|---|---|
| | Wilgus Valuation of land and structures. | Rental at 4% thereon. | Taxes and Insurance. | Total Rental. | Assessed Valuation. | Rental at 5% on assessed value of land and 10% on assessed value of structures. |
| Grand St., Jersey City. | $71,825. | $2,873. | $1,133. | $4,006. | L $18,180.* I 24,000. $42,180. | $3,309. |
| 9654 | | | | | | |
| Pioneer St., Newark. | 226,375. | 9,055. | 2,757. | 11,812. | L 26,200. I 75,000. 101,200. | 8,810. |
| Irvington | 28,375. | 1,135. | 473. | 2,008. | L 2,671.* I 12,000. 14,671. | 1,333. |
| South Plainfield | 256,175. | 10,247. | 2,833. | 13,080. | L 3,135.* I 180,197. 183,332. | 18,176. |
| Rochester | 90,100. | 3,604. | 1,568. | 5,272. | L 3,000.* I 48,851.* $51,851. | 5,035. |
| 9655 | | | | | | |

(*) In addition to rent and taxes the tenant under the Lehigh Valley plan pays all maintenance and repairs.

(*) Apportioned. Under the Pennsylvania plan the landlord pays all taxes, insurance, maintenance and repairs.

9656

## L. V. R. R. EXHIBIT NO. 91. 9657

Docket No. 5917. Filed July 2, 1913.

Interstate Commerce Commission.

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Before the

INTERSTATE COMMERCE COMMISSION.

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G. B. MARKLE COMPANY, a corporation,
PARDEE BROTHERS & COMPANY, INC., a corporation,
and 9658
WESTON DODSON & COMPANY, INC., a corporation,
Petitioners,

vs.

LEHIGH VALLEY RAILROAD COMPANY,
Defendant.

---

The petition of the above named complainants respectfully shows:

I. 9659

(a). Petitioner, G. B. Markle Company, is a corporation organized under the laws of the State of Pennsylvania, and is engaged in the mining, shipping and selling of anthracite coal, and has four collieries near Jeddo, Pennsylvania, in the Lehigh Anthracite Coal District, respectively known as Highland No. 2, Highland No. 5, Jeddo No. 4 and Jeddo No. 7, and at each of these collieries there is a breaker, and petitioner is, and has for two years next preceding, been engaged in shipping coal from said breakers via the Lehigh Valley Railroad to 9660
points in other states, including Perth Amboy, in the State of New Jersey, for trans-shipment by water.

(b). Petitioner, Pardee Brothers & Company, Inc., is a corporation organized under the laws of the State of Pennsylvania, and is engaged in mining, shipping and selling anthracite coal, and has a breaker and washery at what is known as the Latimer mines in the Lehigh Anthracite Coal District in Pennsylvania, and petitioner is, and has for two years next preceding, been engaged in

9661 shipping coal from said breaker and washery via the Lehigh Valley Railroad, to points in other states, including Perth Amboy, in the State of New Jersey, for trans-shipment by water.

(c). Petitioner, Weston Dodson & Company, Inc., is a corporation organized under the laws of the State of Pennsylvania, and is and has been engaged in the selling of anthracite coal, which it purchases from the owners of the Beaver Brook Colliery, at Beaver Brook, Pennsylvania, in the Lehigh Anthracite Coal District, and
9662 petitioner is and has been for two years next preceding the date hereof, engaged in shipping coal from said Beaver Brook Colliery via the Lehigh Valley Railroad, to points in other states, including Perth Amboy, in the State of New Jersey, for trans-shipment by water.

II.

Defendant, the Lehigh Valley Railroad Company, is a common carrier engaged in the transportation of passengers and property by continuous carriage or shipment
9663 wholly by railroad, between points in the State of Pennsylvania and points in other states, and particularly it is and has been for more than two years next preceding the date hereof, engaged in the transportation of anthracite coal from the collieries of petitioners, above set forth, and other points in the Lehigh Anthracite Coal District of Pennsylvania, to tidewater at Perth Amboy, New Jersey, and defendant, as such common carrier, is subject to the provisions of the Act to Regulate Commerce, approved February 4, 1887, and acts amendatory thereof
9664 or supplementary thereto.

III.

Petitioners show that under its published tariffs, the Lehigh Valley Railroad Company is and has been for more than two years next preceding the date hereof, charging petitioners for the transportation of anthracite coal from their collieries above set forth, in the Lehigh Anthracite Coal District of Pennsylvania, to tide-

water at Perth Amboy, New Jersey, for trans-shipment 9665
by water, the following rates, to wit:

| | |
|---|---|
| On prepared sizes, | $1.55 per ton |
| On pea sizes, | 1.40 " " |
| On buckwheat sizes, | 1.20 " " |
| On rice sizes, | 1.10 " " |
| On barley sizes, | 1.10 " " |
| On culm sizes, | 1.10 " " |

which rates petitioners have paid for the transportation of anthracite coal, and the respective sizes thereof, from their collieries aforesaid in the Lehigh Anthracite Coal 9666
District of Pennsylvania to Perth Amboy, for trans-shipment by water, and which said rates petitioners charge are and have always been unjust and unreasonable, and have subjected petitioners to undue or unreasonable prejudice or disadvantage, and the defendant has, by making said charges, made or given an undue or unreasonable preference or advantage to the Wyoming Anthracite Coal District of Pennsylvania, in violation of the Act to Regulate Commerce, approved February 4, 1887, and acts amendatory thereof or supplementary thereto, and especially in violation of Sections 1, 9667
2 and 3 thereof.

## IV.

Petitioners further show that the defendant, on March 15, 1912, published and filed with the Interstate Commerce Commission its local, proportional and trans-shipment coal tariff, I. C. C. No. D-509, effective April 15, 1912, showing inter alia the following proportional and trans-shipment rates per gross ton on anthracite coal 9668
in carloads from the Lehigh Anthracite Coal District in Pennsylvania, and covering the collieries aforesaid of petitioners, to Perth Amboy, New Jersey, f. o. b. vessel for tran-shipment by water, to wit:

| | |
|---|---|
| On prepared sizes, | $1.55 per ton |
| On pea sizes, | 1.40 " " |
| On buckwheat sizes, | 1.20 " " |
| On rice and barley sizes, | 1.10 " " |

9669 The said tariff provided inter alia, under the heading, "Demurrage and Holding Cars in Transit," as follows:

> "Cars containing anthracite coal forwarded under this tariff to Perth Amboy, New Jersey, for trans-shipment via boat, will not be subject to our car service charges at the shipping port while waiting for discharge into vessels. Limited free storage room is provided at Perth Amboy for the accommodation of shippers, and space will be allotted on basis of the previous year's tonnage over the piers,
> 9670 account of the respective shippers. No charge will be made for dumping coal into stock, or reloading from stock and shipping it over the piers."

V.

Petitioners further show that the defendant, on May 1, 1913, published and filed with the Interstate Commerce Commission its Supplement No. 3 to its local, proportional and trans-shipment coal tariff, I. C. C. No. D-569 aforesaid, whereby respondent cancelled the provisions
9671 of the said tariff I. C. C. No. D-569, for holding cars containing anthracite coal for reshipment via boat free from car service charges, and also the provisions in the said tariff granting to shippers limited free storage room at Perth Amboy, New Jersey. By the said Supplement No. 3, it is specifically provided that the "anthracite coal which is unloaded by the Lehigh Valley Railroad Company for the purpose of releasing needed car equipment, will be subject to storage charge the same as would have accrued under car demurrage rules and regulations properly filed with the Interstate Commerce Commission."
9672 By the same Supplement, reference is also made to defendant's tariff I. C. C. No. F-10, or reissues thereof, for demurrage regulations, and said Supplement further provides as follows: "Privilege included in the rate to Perth Amboy, New Jersey, for trans-shipment, of stocking coal in bins at that point, has been withdrawn"; and this last provision in the tariff, together with the provision immediately hereinbefore quoted, constitutes and is noted on the Supplement aforesaid, as an advance in rates creating increased rates under the provisions of said Supplement, effective June 1, 1913.

VI. 9673

Defendant also published on May 1, 1913, and filed with the Interstate Commerce Commission, its tariff entitled, "Car Demurrage Rules on Cars of Boulets, Briquettes, Coal (Anthracite) Coal (Bituminous), or Coke (except Petroleum Coke), consigned for trans-shipment by water, storage or reconsignment," I. C. C. No. F-10, effective June 1, 1913, being the demurrage tariff above referred to. The said tariff contains a provision for the imposition of demurrage charges on the average plan, allowing an average detention of five days per car free 9674
of charge, on all cars containing anthracite coal consigned to and held at Perth Amboy, New Jersey, and various other points. The said tariff shows on its face by appropriate notation, that as to anthracite coal consigned to and held at Perth Amboy, New Jersey, the effect of the tariff is an advance in rates.

VII.

Petitioners aver that the storage and demurrage charges imposed in accordance with the provisions of 9675
Supplement No. 3 to respondent's tariff I. C. C. No. B-569, and in accordance with the provisions of respondent's tariff I. C. C. No. F-10, both above referred to, are excessive, unjust and unreasonable, and constitute increased rates on anthracite coal from the Lehigh Anthracite Coal District in Pennsylvania to Perth Amboy, New Jersey, and that such increased rates are and will be unjust and unreasonable, all of which is in violation of the provisions of the Act to Regulate Commerce, and particularly Sections 1, 2 and 3 thereof, and the acts 9676
amendatory thereof or supplementary thereto; and petitioners further show that the imposition of any charges for demurrage on coal shipped to Perth Amboy, New Jersey, for trans-shipment by water from the Lehigh Anthracite Coal District of Pennsylvania, so long as the rates for the transportation of coal from the Lehigh Anthracite Coal District of Pennsylvania to Perth Amboy, New Jersey, for trans-shipment by water, published in respondent's tariff I. C. C. No. B-569, are in effect,

9677 would be excessive, unjust, unreasonable and discriminatory, in violation of the Act to Regulate Commerce, and especially Sections 1, 2 and 3 thereof, and the rates provided by said tariff I. C. C. No. D-509 are unjust and unreasonable, and all of which are in violation of the provisions of the Act to Regulate Commerce, and especially the Sections above referred to.

VIII.

Petitioners further show that the said proposed stor-
9678 age and demurrage charges are unjust, unreasonable and discriminatory, because their imposition will tend to increase the unfair competition to which petitioners and shippers, other than Lehigh Valley Coal Company, and consignees other than Lehigh Valley Coal Sales Company, are already subjected, by reason of the close relationship existing between, if not the substantial identity of Lehigh Valley Railroad Company, Lehigh Valley Coal Company and Lehigh Valley Coal Sales Company. For many years all coal has been transported from the
9679 Lehigh Anthracite Coal District to Perth Amboy, for trans-shipment, without the imposition of storage or demurrage charges by the Lehigh Valley Railroad Company, and this privilege of storage and exemption from demurrage, has been covered by the rates of transportation upon said coal, in accordance with the tariffs duly filed by the Lehigh Valley Railroad Company, and if Supplement No. 3, aforesaid, to tariff I. C. C. No. D-509, and tariff I. C. C. No. F-10, are permitted to become effective, the cost thereof to petitioners, over and above the rates which have been in effect for years, will be
9680 enormous.

While demurrage rules may promote the release of equipment in the transportation of coal, no such effect can be brought about by storage charges imposed for the use of the storage bins at Perth Amboy, and in fact the use of these bins, compensation for which has always been imposed in the rate on coal at Perth Amboy, promotes the release of equipment for the transportation of anthracite coal. Petitioners show that there are certain periods of the year when it is absolutely neces-

sary, in the advantageous shipment of coal to the New York market, that the same should be stored at tidewater within convenient access to the demands of New York, and in this effort, the defendant carrier has always co-operated with the shippers, and the rate has covered the storage of coal at Perth Amboy, and petitioners show that the withdrawal of the storage privilege covered by the rates heretofore in effect, is unjust and unreasonable, and in violation of the Act to Regulate Commerce, as aforesaid. 9681

And petitioners show that defendant, Lehigh Valley Railroad Company, has leased to Lehigh Valley Coal Company its entire coal storage plant at South Plainfield, New Jersey, and that therefore, the Lehigh Valley Coal Company has provision, through the action of defendant, for the storage of its coal destined to Perth Amboy, New Jersey. 9682

Petitioners further show that the provision relating to the storage of coal at Perth Amboy, New Jersey, contained in Supplement No. 3 to respondent's tariff I. C. C. No. D-509, is so vague and indefinite, in that it subjects to storage charges only such coal as is unloaded by respondent "for the purpose of releasing needed equipment," that it constitutes an unreasonable and unjust regulation, because no shipper or consignee can know in advance whether or not his coal will be unloaded for the purpose stated. Petitioners further show that the said provision puts within the power of defendant the arbitrary imposition of storage charges upon shippers on the ground that their coal has been unloaded because the equipment containing it was needed by the defendant, the Lehigh Valley Railroad Company, although at the same time the coal of another shipper may be unloaded and stored without the imposition of storage charges on the ground that the equipment containing the latter coal is not needed by the defendant, the Lehigh Valley Railroad Company. 9683 9684

WHEREFORE, petitioners pray that the Commission will at once enter upon an investigation and hearing concerning the propriety, reasonableness, justice and legality of the rates and charges for the transportation of an-

9685 thacite coal, which have been charged to and paid by petitioners for two years next preceding the date hereof, and that the Commission will at once enter upon an investigation and hearing concerning the propriety, reasonableness, justice and legality of the rules, regulations and charges provided for in the said tariffs of defendant, being Supplement No. 3 to respondent's tariff I. C. C. No. D-509, and I. C. C. No. F-10, and that after due investigation and hearing, an order may be made commanding the defendant to cease and desist from said
9686 violations of the Act to Regulate Commerce, and that the Commission will award to petitioners reparation for the unjust and unreasonable rates heretofore and hereafter charged to petitioners for the transportation of anthracite coal from the Lehigh Anthracite Coal District of Pennsylvania to Perth Amboy, New Jersey, and may also award to petitioners reparation for the unjust and unreasonable rules, regulations and charges under Supplement No. 3 to respondent's tariff I. C. C. No. D-509, and I. C. C. No. F-10, and that the Commission may award to petitioners, by proper order, such other
9687 and further relief as it may deem proper in the premises.

Dated at Philadelphia, Pennsylvania, the first day of July, A. D. 1913.

G. B. MARKLE COMPANY,
By
(Sgd) WM. A. GLASGOW, JR., *Attorney.*
PARDEE BROTHERS & COMPANY, INC.,
By
(Sgd) WM. A. GLASGOW, JR., *Attorney.*
WESTON DODSON & COMPANY, INC.,
9688 By
(Sgd) WM. A. GLASGOW, JR., *Attorney.*

WM. A. GLASGOW, JR.,
1018 Real Estate Trust Building,
Philadelphia, Penna.,
Counsel.

## L. V. R. R. EXHIBIT NO. 92. 9689

BEFORE THE INTERSTATE COMMERCE COMMISSION.

G. B. MARKLE COMPANY, a corporation, PARDEE BROTHERS & COMPANY, INC., a corporation, and WESTON DODSON & COMPANY, INC., a corporation,
Petitioners.

AGAINST

LEHIGH VALLEY RAILROAD COMPANY,
Defendant

Docket No. 5917
Answer. 9690

The LEHIGH VALLEY RAILROAD COMPANY, the defendant herein, answers the complaint as follows:

I. This defendant has not sufficient information to admit or deny the allegations of paragraph "I" of the complaint, but believes that they are true. 9691

II. This defendant admits the allegations of paragraph "II" of the complaint.

III. This defendant admits the allegations contained in the first part of paragraph "III" of the complaint in references to charges made by the defendant company to the petitioners in accordance with the defendant's published tariffs. This defendant denies that any of the said charges are or have ever been unjust or unreasonable or that the petitioners have been subjected 9692 to any prejudice or disadvantage or that the defendant has given any undue or unreasonable preference to the Wyoming Anthracite Coal District of Pennsylvania, or that the defendant has, in any respect, violated the Act to Regulate Commerce, approved February 4, 1887, and the acts amendatory thereof or supplementary thereto, or any portion of the said acts. On the contrary the defendant alleges that the said charges are and have been, at all times, just and reasonable in all respects.

9693 IV. The defendant admits the allegations of paragraph "IV" of the complaint.

V. This defendant admits all the allegations of paragraph "V" of the complaint except that it denies that the last provision of the defendant's tariff I. C. C. F-10, withdrawing the privilege of stocking coal in bins at Perth Amboy, New Jersey, for transhipment, is an advance in rates.

VI. This defendant admits all the allegations of
9694 paragraph "VI" of the complaint, except that it denies that the tariff shows on its face that as to anthracite coal consigned to and held at Perth Amboy, New Jersey, and various other points, the effect of the said tariff is an advance in rates, and alleges that, on the contrary, the effect of the said tariff is only the application of the usual and customary demurrage charges on shipments to which the said charges have not heretofore been applied. The said demurrage charges referred to in the said paragraph of the complaint will not impose any additional charges upon the petitioners,
9695 except where the petitioners unreasonably delay the unloading of defendant's cars.

VII. The defendant denies each and every allegation of paragraph "VII" of the complaint.

VIII. The defendant denies each and every allegation of paragraph "VIII" of the complaint, except the statement in the said paragraph reciting in a general way the provisions heretofore contained in the defendant's tariff for the transportation of anthracite
9696 coal to Perth Amboy, New Jersey, for transhipment.

WHEREFORE, the defendant prays that the complaint be dismissed.

Dated at New York, New York, the eighth day of September, A. D. 1913.

LEHIGH VALLEY RAILROAD COMPANY,
By:
E. H. BOLES,
General Solicitor.

R. W. Barrett,
Of Counsel.

## L. V. R. R. EXHIBIT NO. 93.

9697

Supplement No. 3 contains all changes from the original Tariff that are effective on the date hereof.

Supplement No. 3 to Tariff I. C. C. No. D-509. Cancels Supplement No. 2.

# Lehigh Valley Railroad Company

9698

LOCAL, PROPORTIONAL AND TRANSSHIPMENT COAL TARIFF

Rates, in Cents Per Ton of 2,240 Pounds, on ANTHRACITE COAL AND ANTHRACITE ®BRIQUETTES AND ®BOULETS, IN CARLOADS

(For Minimum Weight see Tariff I. C. C. No. D-546, or Reissues thereof.)

FROM

9699

Collieries, Washeries and Stations in the Lehigh, Schuylkill and Wyoming Regions as shown on Page 3 of Tariff I. C. C. No. D-509, and in I. C. C. No. D-537, or Reissues thereof.

TO POINTS ON

LEHIGH VALLEY RAILROAD

(New Jersey & Lehigh Division and New York Division)

Except as otherwise provided herein, this Supplement will be subject to Rules and Regulations of the Tariff to which it is a Supplement.

9700

ISSUED MAY 1, 1913.

EFFECTIVE JUNE 1, 1913.
(Except as noted in Individual Items.)

ISSUED BY

C. A. BLOOD,
Freight Traffic Manager,
New York, N. Y.

WM. T. GRIER,
General Coal and Freight Agent,
New York, N. Y.

T. CLEM. BECK,
Chief of Tariff Bureau,
New York, N. Y.

## L. V. R. R. EXHIBIT NO. 93—(Continued).

| | New or Reissue | Effective | In Sup. No. | Page of Tariff Affected | Nature of Change | |
|---|---|---|---|---|---|---|
| 9701 | New | ..... | 3 | Title | Substitute | **ANTHRACITE COAL AND ANTHRACITE ⑧BRIQUETTES AND ⑧BOULETS, IN CARLOADS.**<br>(For minimum weight, see Tariff I. C. C. No. D-546, or reissues thereof.)<br>From Collieries, Washeries and Stations in the Lehigh, Schuylkill and Wyoming Regions as shown on Page 3, and in I. C. C. No. D-537, or reissues thereof. |
| | Reissue | 11-7-12 | 2 | Title | Substitute | |
| | New | ..... | 3 | 4 | Substitute | **RULES GOVERNING TARIFF. ADDITIONAL CHARGES, ALLOWANCES AND PRIVILEGES.**<br>All charges, allowances and privileges which apply on shipments moved under this tariff, and which are not specifically shown in the tariff itself, are published in other tariffs lawfully filed by this company with the Interstate Commerce Commission. |
| 9702 | | | | | | **DEMURRAGE AND HOLDING CARS IN TRANSIT.**<br>Cars containing Anthracite Coal forwarded under this tariff to Perth Amboy, N. J., for reshipment via boat will not be subject to car service charges at the shipping port while waiting for discharge into vessels. Limited free storage room is provided at Perth Amboy for the accommodation of shippers, and space will be alloted on basis of the previous year's tonage over the piers account of the respective shippers. No charge will be made for dumping coal into stock or reloading from stock and shipping it over the piers. As no charge will be made for holding coal in storage awaiting transshipment by water, such coal will be held in storage entirely at the shipper's or owner's risk. This free storage time will be limited to two years, and a charge of fifteen cents per ton of 2,240 pounds per month, or fraction thereof, will be assessed on such coal held in storage exceeding the said free period. Cars forwarded under this tariff to Newark, N. J., for reconsignment may be held five days, free of car service charges, in Newark yard for the purpose of reconsigning to local deliveries, to Irvington, N. J., or to points beyond to which through rates are issued by way of Newark, N. J. When shipments are reconsigned, billing will be corrected in accordance with new consignment, as of date of original shipment, and no additional charge for reconsigning or transportation service will be assessed. If disposition for cars held at Newark, N. J., is not furnished at the expiration of five days, cars will become immediately subject to demurrage charge of one dollar ($1.00) per car per day (until disposition is furnished) and other conditions of local car service rules and regulations as lawfully published and filed with the Interstate Commerce Commission. On cars consigned for delivery at Greenville, N. J., or Jersey City, N. J., demurrage will be computed on the "average plan," allowing an average detention of five days per car free of charge. Rules for computation of time and other conditions governing the average free time as given in Tariff I. C. C. No. F-6, Supplements thereto or Reissues thereof, will apply. On all other shipments under this tariff, when freight is to be unloaded by consignee, one dollar ($1.00) per car per day or fraction thereof for delay beyond 48 hours in unloading will be added to the rates named herein and constitute a part of the total charges to be collected by the carrier on the property, except that Car Demurrage Association or Local Regulations at destination, when lawfully published and filed with the Interstate Commerce Commission, shall prevail and govern at such points. |
| 9703 | ⓒNew | ..... | 3 | 4 | Erase | |
| 9704 | | | | | | |

⑧Denotes Reduction.
ⓒFor demurrage regulations, see Tariff I. C. C. No. F-10, or reissues thereof.

# L. V. R. R. EXHIBIT NO. 93—(Continued). 9705

| New or Reissue | Effective | In Sup. No. | Page of Tariff Affected | Nature of Change |
|---|---|---|---|---|
| New | ..... | 3 | 4 | Add..... |
| Reissue | 11-7-12 | 2 | 4 | Erase..... |
| New | ..... | 3 | 6 and 7 | Substitute |
| Reissue | 11-7-12 | 2 | 7 | Substitute |
| Reissue | 11-7-12 | 2 | 7 | Add..... |

**HOLDING CARS IN TRANSIT.**

The rates given in this tariff to Newark, N. J., include the privilege of consigning coal to that point for distribution to local deliveries or forwarding to points beyond to which through rates are issued via Newark, N. J.; to Irvington, N. J., Jersey City, N. J., and Greenville, N. J., include the privilege of consigning coal to those points for distribution to local deliveries. When shipments are reconsigned or reforwarded, billing will be corrected in accordance with the new consignment, as of date of original shipment, and no charge will be made for reconsigning or reforwarding.

Anthracite Coal which is unloaded by the Lehigh Valley Railroad Company for the purpose of releasing needed car equipment, will be subject to storage charge the same as would have accrued under Car Demurrage Rules and Regulations, properly filed with the Interstate Commerce Commission.

(A)Privilege included in the rate to Perth Amboy, N. J., for transshipment, of stocking coal in bins at that point, has been withdrawn.

9706

**SCREENINGS.**

Screenings resulting from the transshipment of anthracite coal from cars to vessels at Perth Amboy, N. J., will be subject to rate of $1.20 per gross ton from the mines, and the difference between this rate and the original rate paid on the coal from which the screenings were taken, will be adjusted monthly

**SUBSTITUTE** for headings shown on Pages 6 and 7: 9707

**GEOGRAPHICAL LIST OF STATIONS TO WHICH RATES APPLY.**

| Index No. | TO | Lehigh and Schuylkill Regions | | | | | Wyoming Region | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Prepared Sizes and Anthracite (R) Briquettes and (R) Boulets | Pea | Buckwheat | Rice and Barley | | Prepared Sizes and Anthracite (R) Briquettes and (R) Boulets | Pea | Buckwheat | Rice and Barley | |

**CHANGE** Index No. 67, Page 7 of Tariff to read as follows: 9708

(1)(2)(3)‡Perth Amboy, N. J. (F. O. B. Vessel for transshipment by water.)

(2)On screenings made in dumping coal into boats for transshipment by water, and which are used locally, or picked up, loaded into cars and moved for local track delivery or to line points, the rate of freight from mines to transshipping point will be adjusted to basis of rate applicable for local track delivery at the transshipping point on the size from which the screenings were taken and in effect on date of original movement from the mines.

‡For charges for picking up screenings, loading into cars and reshipping, see Tariffs I. C. C. Nos. D.-530 and D-534.

(A)Denotes Advance.
(R)Denotes Reduction.

9709 **L. V. R. R. EXHIBIT NO. 94.**

COPY.

74 Federal Reporter, 784.

INTERSTATE COMMERCE COMMISSION v. LEHIGH VALLEY R. CO.

(Circuit Court, E. D. Pennsylvania. May 11, 1896)

1. Interstate Commerce—Cost of Carriage.

The fact that the cost of carriage of all coal upon an entire railroad system, from all points of shipment
9710 to all destinations, is a certain per cent. of the gross receipts from all coal, is no reason for concluding that upon a particular line or part of the system the cost of carriage bears the same ratio to the coal receipts of that particular line or part.

2. Same—Orders Made by the Commission.

An order made by the commission, which rests upon an erroneous principle and is unreliable, cannot be sustained, and is not to be judicially enforced.

3. Same—Power of the Commission to Fix Rates.

9711 The commission is not clothed with the power to fix rates.

In Equity.

Simon Sterne and Robert Ralston, for complainants.

John G. Johnson, for defendant.

ACHESON, Circuit Judge. On October 19, 1888, Coxe Bros. & Co., of Drifton, Luzerne county, Pa., miners and shippers of anthracite coal, filed a complaint with the interstate commerce commission against the Lehigh Val-
9712 ley Railroad Company, charging that company with specified violations of the provisions of the act of congress approved February 4, 1887, entitled "An Act to regulate commerce." The proceeding before the commission resulted in a finding by the commission that the rates and charges established by the defendant, and then in force over and upon its lines of railroad, for the transportation of anthracite coal from the locality known as the "Lehigh Anthracite Coal Region," in the state of Pennsylvania, to Perth Amboy, in the state of New Jer-

sey, were unreasonable and unjust; and on March 13, 9713
1891, the commission made and issued an order in the following terms:

"It is ordered and adjudged that the defendant, the Lehigh Valley Railroad Company, do, from and after the 20th day of April, A. D. 1891, wholly cease and desist from charging any greater compensation for the transportation of divers known kinds and sizes of anthracite coal delivered to it by complainants and other shippers for carriage from shipping points on its lines of railroad at or near the coal mines and collieries of com- 9714
plainants in the mining locality known as the 'Lehigh Anthracite Coal Region,' to wit, from Drifton, Eckley, Gowen, Tomhicken, Deringer and Stockton, all in the county of Luzerne and state of Pennsylvania, and Beaver Meadow, in the county of Carbon and state of Pennsylvania, to Perth Amboy, in the state of New Jersey, than the following rates of charge per ton of two thousand, two hundred and forty (2,240) pounds of each or either of said divers known kinds and sizes of anthracite coal, that is to say: One dollar and fifty cents ($1.50) per said ton on the sizes and kinds known as 9715
larger or prepared sizes, and also and more specifically known as lump, steamboat, broken, egg, stove, and nut coal; one dollar and twenty-five cents ($1.25) per said ton on the size or kind known as pea coal; one dollar and five cents ($1.05) per said ton on the size or kind known as buckwheat coal; one dollar and five cents ($1.05) per said ton on the size or kind of coal known as culm."

The railroad company having refused and failed to obey this order, the interstate commerce commission ap- 9716
plied by petition to this court, sitting in equity, praying for a writ of injunction, or other proper process, to restrain the railroad company from the further violation of such order, and for the enforcement thereof. To this petition the railroad company filed its answer. The answer, among other matters of defense, denies that the rates established and charged by the defendant for the transportation of anthracite coal as aforesaid were unreasonable and unjust; alleges that the rates by it then

9717 charged, and since continued by it to be charged, were reasonable and just; and avers that all the findings of fact by the commission which led it to the conclusion that the rates charged by the defendant were unreasonable and unjust were erroneous and against the evidence, and that the reasoning upon which the commisssion rested its conclusion was fallacious and unsound. The case is now before us upon the pleadings, the report of the commission, the evidence taken by the commission, and additional proofs taken by an examiner appointed by
9718 the court. In considering the question of the reasonableness of rates, we will not go beyond one particular matter of fact. The commission found, and in its report states, that the operating cost of carrying a ton of anthracite coal from the Lehigh anthracite regions to Perth Amboy was 85 cents. This conclusion the commission deduced from the Lehigh Valley Railroad Company's annual report for the year ending November 30, 1887. In the report of the commission are the following statements and tables:

9719 "The business; receipts, with sources from which derived; expenses, and on what account incurred,—for year ending Nov. 30, 1887, as appears from the annual report of said railroad company, were:

| | Carried one Mile | Gross Rec'ts. | Expenses. | Net Receipts. |
|---|---|---|---|---|
| Coal, tons | 513,889,171 02 | $6,165,411 29 | $3,431,609 83 | $2,733,801 46 |
| Other freight, tons | 253,564,921 56 | 2,430,761 13 | 1,902,595 93 | 528,165 20 |
| Passenger, express & mail | 44,512,264 10 | 1,122,883 65 | 808,190 49 | 314,693 16 |
| Totals | | $9,719,056 07 | $6,142,396 25 | $3,576,659 82 |

9720 "* * * From the above reported facts, it appears that the ton-mile receipts, expenses, and profits, or net receipts, for the year 1887, were on:

| | Gross Receipts per Ton per Mile, Mills. | Expenses per Ton per Mile, Mills. | Net receipts per Ton per Mile, Mills. |
|---|---|---|---|
| Coal | 12.00 | 6.67 | 5.32 |
| General freight | 9.58 | 7.50 | 2.08 |

"The operating expenses for the transportation of all freight are 63 per cent. of the reported operating income, while the cost of transporting coal is but 56 per

cent. of the income from coal, as appears from the said annual report of 1887. The estimated cost of carrying coal from the Lehigh and Mahanoy regions to Perth Amboy, based on said report, is 85 cents per ton, which, for the group or average distance of 149 miles, is nearly six mills per ton per mile, taking the tide coal as an average; some being carried to other points at lower, and some at higher, rates." 9721

Now, certainly, there is no statement in the railroad company's report to the effect that the cost of carrying coal from the Lehigh and Mahanoy regions to Perth Amboy was 85 cents per ton. That is the estimate of the commission, and it purports to rest upon the report of the railroad company for the year 1887. That report shows that the gross receipts from all coal carried by the defendant during the year averaged 12 mills per ton per mile, and that the average cost of carrying each ton of coal per mile was 6.67 mills. Upon the basis of this average cost per mile, namely, 6.67 mills, the cost of transporting a ton of coal from the Lehigh and Mahanoy regions to Perth Amboy (149 miles) would be 99.38 cents. By what method, then, did the commission proceed in making its estimate? No satisfactory answer to this inquiry is to be found in the report of the commission. The counsel for the commission, in a supplemental brief furnished the court since the hearing of the case, makes this explanation: 9722 9723

"The correct method of obtaining such cost of transportation, and the method which the commisssion has again stated, since the argument, to have been the one adopted by it, is shown as follows."

The counsel then states that the commission found from the railroad company's report for 1887 that the operating expense on all coal carried from all points of shipment to all destinations during that year was about 56 per cent. of the gross coal receipts; that the commission ascertained that the average rate charged by the company for carrying the larger sizes of coal from the Lehigh and Mahanoy mines to Perth Amboy in 1887 was $1.54 per ton, and that the average rate charged upon the pea, buckwheat, and culm was $1.36 per ton; that the 9724

9725 commission estimated that 75 per cent. of this tonnage took the $1.54 average rate, and that 25 per cent. thereof took the $1.36 average rate, and hence that the average revenue per ton from this tidal coal was $1.495. The counsel's brief then proceeds thus:

"The fair average gross receipts per ton actually obtained by the company in 1887 for carrying anthracite coal from the Lehigh and Mahanoy mines to Perth Amboy having thus been found to be $1.495 per ton, and it having also been ascertained, as above shown, that nearly
9726 56 per cent. of the company's gross revenue from coal was absorbed by the cost of carriage, it follows that 56 per cent. of the average rate of $1.495 per ton would furnish 83.7 cents as the basis on which to estimate the cost of carrying a ton from said coal regions to Perth Amboy in 1887. The commission, to be entirely safe, increased this by 1.3 cents, and placed its estimate of the cost of carriage at 85 cents per ton. The calculation above described applies the co-efficient of expenses on coal traffic (56 per cent. of gross receipts) directly to the traffic in question, and the receipts actually received for its trans-
9727 portation."

If the explanation thus given by the counsel for the commission is a correct statement of the method pursued by the commission in making its estimate of 85 cents, then, in our judgment, that method is without justification. For, having adopted an estimated average rate of revenue, namely, $1.495, from each ton of coal carried over the 149 miles from the Lehigh and Mahanoy regions to Perth Amboy, the commission assumed that the expenses of the transportation of coal over this particular branch
9728 of the defendant's railroad system was necessarily only the average cost of the carriage of all coal upon the defendant's entire system. The assumption which thus underlies the commission's estimate is unwarrantable. Merely because the cost of carriage of all coal upon the defendant's entire railroad system from all points of shipment to all destinations was 56 per cent. of the gross receipts from all coal, is no reason for concluding that upon a particular line or part of the system the cost of carriage bears the same ratio to the coal receipts from

that particular line or part. The railroad company's re- 9729
port for 1887, upon which the commission based its estimate, does not furnish the data by which the actual cost of carrying coal from the Lehigh and Mahanoy mines to Perth Amboy can be ascertained. The commission therefore resorted to an estimate of the carrying cost. That estimate, however, as we have seen, rests upon an erroneous principle, and is unreliable. Hence the order based thereon cannot be sustained, and is not to be judicially enforced.

We have only to add that the evidence before us is 9730
quite convincing that the actual cost of transporting coal from the Lehigh and Mahanoy regions to Perth Amboy was and is considerably more than 85 cents per ton.

We pass now to the consideration of a defense of a legal character, raised by the twenty-fourth and twenty-fifth paragraphs of the defendant's answer, namely:

"(24) This defendant is advised by counsel, and therefore avers, that the act entitled 'An Act to regulate commerce' does not authorize the said commission to fix the rates of transportation which shall be charged by railroad corporations. (25) This defendant is advised 9731
by counsel, and therefore avers, that the said act does not authorize the said commission to make the order which it made in this cause, set forth in Exhibit G, attached to the present petition."

These paragraphs raise the question of the power of the commission to fix maximum rates for transportation as was here done. Since the argument of this case that question has been considered by the supreme court of the United States in the cases of Cincinnati, N. O. & T. P. Ry. Co. v. Interstate Commerce Commission, 16 Sup. Ct. 9732
700, and Interstate Commerce Commission v. Cincinnati, N. O. & T. P. Ry. Co., Id. The opinion of that court in these cases, delivered by Mr. Justice Shiras, was filed March 30, 1896. The order of the interstate commerce commission which was there involved contained this clause:

"And that the said defendants, the Cincinnati, New Orleans & Texas Pacific Railway Company, do also, from and after the 20th day of July, 1891, wholly cease and

9733 desist from charging or receiving any greater aggregate compensation for the transportation of buggies, carriages, and other first-class articles, in less than carloads, from Cincinnati aforesaid to Atlanta, in the state of Georgia, than $1.00 per hundred pounds."

This clause of the order was disapproved and annulled by the circuit court of appeals for the Fifth circuit; that court, however, not passing upon the question of the power of the interstate commerce commission to fix a maximum rate. The commission appealed to the su-
9734 preme court, and, in its assignments of error, presented that question for determination. In disposing of the appeal of the commission, the supreme court declared as follows:

"Whether congress intended to confer upon the interstate commerce commission the power to itself fix rates, was mooted in the courts below, and is discussed in the briefs of counsel. We do not find any provision of the act that expressly, or by necessary implication, confers such a power. It is argued on behalf of the commission that the power to pass upon the reasonableness of exist-
9735 ing rates implies a right to prescribe rates. This is not necessarily so. The reasonableness of the rate, in a given case, depends on the facts; and the function of the commission is to consider these facts, and give them their proper weight. If the commission, instead of withholding judgment in such a matter until an issue shall be made and the facts found, itself fixes a rate, that rate is prejudged by the commission to be reasonable. We prefer to adopt the view expressed by the late Justice Jackson, when circuit judge, in the case of Interstate Com-
9736 merce Commission v. Baltimore & O. R. Co., 43 Fed. 37, and whose judgment was affirmed by this court (145 U. S. 263, 12 Sup. Ct. 844): 'Subject to the two leading prohibitions that their charges shall not be unjust or unreasonable, and that they shall not unjustly discriminate, so as to give undue preference or disadvantage to persons or traffic similarly circumstanced, the act to regulate commerce leaves common carriers as they were at the common law,—free to make special contracts looking to the increase of their business, to classify their traffic, to

adjust and apportion their rates so as to meet the neces- 9737
sities of commerce, and generally to manage their important interests upon the same principles which are regarded as sound, and adopted in other trades and pursuits."

These views of the supreme court decisively show that the interstate commerce commission is not clothed with the power to fix rates which it undertook to exercise in this case. The petition of the interstate commerce commission must be dismissed. Let a decree to that effect be drawn.

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## L. V. R. R. EXHIBIT NO. 95.

Tri-party agreement made the twenty fifth day of November A. D. 1867 Between The Central Rail Road Company of New Jersey of the first part, The Lehigh Valley Rail Road Company of the second part and A. Pardee & Company, representing The Hazleton Rail Road Company of the third part.

In consideration of the benefits of a regular coal trade from the mines on the railroad connections of the 9739
party of the third part and over the railroads of the parties to this agreement to Port Johnston, the parties mutually agree as follows.

The parties hereto agree to build Five Hundred and sixty eight, four wheel Six ton coal cars and pay for them in this proportion Central Railroad of New Jersey Two Hundred and seventy two, Lehigh Valley Railroad Company Two Hundred and sixteen and A. Pardee and Company, representing the Hazleton Railroad Company, Eighty, and place them on the route indicated
as soon as built, and maintain them there and keep 9740
them constantly employed each party keeping their own proportion of cars in repair.

The party of the third part agree to receive the empty cars at the junction of their road with the Lehigh Valley Railroad, and return them loaded to the same point within two working days.

The party of the second part agree to receive the empty or loaded cars at the junction from the parties of the first or third part ,and deliver them within one

working day after receipt to the party at the other end of their road.

The party of the first part agree to receive the loaded cars from the party of the second part at the point of junction and to return them within three working days.

In case of failure of any party to fulfil these provisions said party shall pay demurrage on each car for each working day or part of a day that such car may have been detained one eighth of their share of full freight and the amount so paid shall be divided among the remaining parties in the proportion of the number of cars furnished.

The parties hereto agree to transport the cars on their respective roads with the same despatch and under the same regulations, except as herein provided, and at the same freights as the most favored parties at the time, keeping the cars distinct and not using them for any other purpose or for intermediate points except by consent of all the parties and allowing the same rent for use of cars as shall be allowed to other parties at the time.

Unavoidable interruptions such as from floods, storms, breakdowns, strikes, pestilence, holidays and the like, shall during their continuance exonerate the party interrupted from liability for consequent failures, and no party shall be liable for the acts of another party, or for failures consequent on failures of another party.

In case of disputes between any of the parties hereto respecting the business herein provided for, the matter shall be referred to three disinterested persons, one chosen by each party whose decision shall be conclusive.

John Taylor Johnston (Seal)
President.

Witness present at the Signing and Sealing of Jno. T. Johnston, President Central Railroad of New Jersey.

Saml. Knox
I. W. Watson.

Wm. W. Longstreth (Seal)
President.

Witness present at the signing and Sealing of W. W. 9745
Longstreth President Lehigh Valley Railroad Company.
Benj. Blanchard
Edward Lewis

A. Pardee & Co. (Seal)

Witness present at the signing and Sealing A. Pardee & Co.
Jno. R. Fanshawe
Benj. Blanchard.

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**L. V. R. R. EXHIBIT NO. 96.** 9746

Stockholders Annual Meeting January 21st, 1873.

At the annual Meeting of the Stockholders of the Lehigh Valley Railroad Company, held January 21st, 1873, in pursuance of public notice according to charter at the Office of the Company No. 228 South Third St., Philadelphia,

John Welsh was called to the Chair and John R. Fanshawe appointed Secretary.

The notice of the call of the Meeting was read as fol- 9747
lows:

OFFICE LEHIGH VALLEY RAILROAD COMPANY.

Philadelphia, January 2, 1873.

The annual Meeting of the Stockholders of this company will be held at their Office, No. 228 South Third Street, on TUESDAY, the 21st inst., at 12 o'clock M., at which time an election will be held for President and twelve Directors for the ensuing year.

John R. Fanshawe, Secretary. 9748

The Minutes of last Annual Meeting and of the special Meeting held June 25th, 1872, were read and approved.

The report of the Board of Directors and of the Superintendent and Engineer were read.

On Motion of J. M. Whitall it was Resolved

That the Report of the Board of Directors and of the Superintendent and Engineer just read be accepted and

9749 referred to the incoming Board for publication of such parts as they may deem expedient.

On Motion of Wm. Watson Resolved

That the action of the Board of Directors as set forth in the Report just read in reference to all matters done by them and also all contracts and engagements made or entered into by them on behalf of this Company be and are hereby approved and confirmed.

The following act of Assembly entitled "An Act Authorizing Incorporated Companies to invest and re-
9750 invest surplus funds in mortgages, stocks and other securities and fixing the time for holding elections for Directors" Approved March 31st, 1868 was read and On Motion it was Resolved

That this Company do hereby accept the provisions of the Act just read. P. L. 1868-Page 50.

The following act of Assembly entitled "An Act Supplementary to an Act relating to certain Corporations Approved twenty-third day of April Anno Domini One thousand eight hundred and sixty-one" Approved March 17th, 1869 was read.

9751 On Motion it was Resolved

That this Company do hereby accept the provisions of the Act just read. P. L. 1869 Page 11.

The following Act of Assembly entitled "An Act to enable Railroad, Canal and Slackwater Navigation Companies to straighten, widen, deepen and otherwise improve their lines of Railroads, Canals and Slack water navigation and the bridges, acqueducts, piers and structures thereof" Approved March 17th 1869—was read.

9752 On Motion Resolved

That this Company do hereby accept the provisions of the Act just read. P. L. 1869 Page 12.

The following Act of Assembly entitled "An Act to authorize Railroad and Canal Companies to aid in the development of the Coal, Iron, Lumber and other material interests of this Commonwealth" Approved April 15th, 1869, was read and

On Motion Resolved

That this Company do hereby accept the provisions of the Act just read. P. L. 1869 Page 31.

The Vice President announced that L. Chamberlain, 9753
G. B. Newton and E. P. Wilbur had been appointed Tellers to conduct the election.

On Motion it was Resolved

That the Meeting now proceed to an Election for Officers of the Company.

The Tellers having accepted their appointments were duly qualified as will appear by the subjoined certificate:

State of Pennsylvania 9754

City of Philadelphia S. S.

Personally appeared before me a Notary Public of said City L. Chamberlain, G. B. Newton and E. P. Wilbur—who having been duly appointed Judges of an Election for President and twelve Directors of the Corporation called the Lehigh Valley Railroad Company to be held in Philadelphia on Tuesday the twenty first day of January A. D. 1873 who being duly sworn or affirmed according to law did depose and say that they 9755
will well and truly and according to law conduct said election to the best of their knowledge and belief.

Sworn or affirmed before me a Notary Public of said City this 21st day of January 1873

L. Chamberlain
G. B. Newton
E. P. Wilbur,

W. C. Alderson
[SEAL] Notary Public. 9756

The Meeting was again called to order when the Report of the Judges was read as follows:

Philadelphia, January 21st, 1873.

We the undersigned duly appointed and qualified to act as Judges of an Election held this day for a President and twelve Directors of The Lehigh Valley Railroad Company hereby certify that such an Election

9757 was held at the Office of the Company in Philadelphia between the hours of 12 M. and P. M. according to public notice given under the Charter and By-Laws; that we attended thereat; that we received and counted all the votes at the said election duly offered and that the following named persons were duly elected having received 129,223 votes being a majority of all the votes polled at said election—to wit;

PRESIDENT:
Asa Packer.

9758

L. Chamberlain } Judges
G. B. Newton } of Election

DIRECTORS:
Charles Hartshorne,
William W. Longstreth,
J. Gillingham Fell.
John Taylor Johnston,
William H. Gatzmer.
David Thomas
9759 Ashbel Welch
William L. Conyngham,
Ario Pardee,
William A. Ingham,
Joseph Wharton,
George B. Markle.

After which The Meeting adjourned.
Jno. Welsh Chairman.
Jno. R. Fanshawe Secretary.

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## L. V. R. R. EXHIBIT NO. 97. 9761

EXTRACT FROM MINUTES OF A STATED MEETING OF THE BOARD OF DIRECTORS OF THE LEHIGH VALLEY RAILROAD COMPANY HELD AT THE OFFICE OF THE COMPANY, 228 SOUTH THIRD STREET, PHILADELPHIA, PA., TUESDAY, APRIL 14, 1896, AT TWELVE O'CLOCK M.

There were present:

Elisha P. Wilbur, President.

Messrs.

| | | |
|---|---|---|
| Chas. Hartshorne, | Wm. L. Conyngham, | 9762 |
| William A. Ingham, | Jas. I. Blakslee, | |
| John B. Garrett, | Charles O. Skeer, | |
| Beauveau Borie, | Joseph Wharton, | |
| Thomas McKean, | George H. Myers | |

and Eugene Delano.

The report of the Executive Committee was then presented and read as follows:

In the Report of the Executive Committee for June 11, last, it was stated, that on June 3rd, the Committee had 9763 adopted a Resolution providing for the sale of our Hazleton and Beaver Meadow coal lands to the Lehigh Valley Coal Company. The Executive Committee has had under further consideration since that time various plans for the proper disposition of these lands. These lands of our Hazleton and Beaver Meadow Companies were acquired from the Hazleton Railroad Company, formerly the Hazleton Coal Company, and from the Beaver Meadow Railroad and Coal Company by the merger of those Companies with the Lehigh Valley Railroad Com- 9764 pany.

The Beaver Meadow lands are under lease to the Cross Creek Coal Company, the Hazleton lands were under lease to A. Pardee and Company until the termination of that lease during the past year and the purchase of the improvements by the Lehigh Valley Coal Company. After full consideration of the whole matter, it is now recommended that a new corporation under the Corporation Act of 1874 be organized, to be called the Hazleton

9765 Coal Co., with a Capital Stock of $500,000. The stock to be held by or in the interest of the Lehigh Valley Coal Company, and the conveyance to be made to the Hazleton Coal Company on the terms authorized in June, for a conveyance to the Lehigh Valley Coal Company, viz.: $500,000 cash, and a mortgage of $2,000,000. All the Hazleton and Beaver Meadow coal lands to be forthwith conveyed to such new corporation. The Beaver Meadow lands to be subject to the existing lease to the Cross Creek Coal Company, and the entire lands to be subject
9766 to the right of way of the Lehigh Valley Railroad Company as now located or hereafter changed. Damages for coal left in to support the roadway due to such changes of location to be paid, as they shall from time to time arise. A purchase money mortgage for $2,000,000 to be given by the Hazleton Coal Company.

## L. V. R. R. EXHIBIT NO. 98.

EXTRACT FROM MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF THE LEHIGH VALLEY RAILROAD COM-
9767 PANY, HELD IN PHILADELPHIA, NOV. 14, 1865.

Present:

Asa Packer, V. P., Ashbel Welch, E. A. Packer, David Thomas, Josiah O. Stearns, John N. Hutchinson, John T. Johnston, Joseph H. Dulles, Wm. H. Gatzmer & the President.

The minutes of the last meeting were read & adopted.

The Vice President reports that in accordance with the Resolution passed at the last meeting, the line of Rail-
9768 road from White Haven to the Wyoming Valley has been placed under construction.

The Road Committee report that they have Contracted for Four first class passenger cars.

The Road Committee also inform the Board that they have contracted for Four hundred — 6 Ton 4 wheel coal cars.

Resolved,

That the Contract above named be approved by the Board, and that the Committee be authorized to increase

the number of Coal Cars from time to time as the wants 9769
of the trade require. And further they be authorized to contract for additional Locomotives to meet the increased traffic over the Road.

A proposition from Jonah Reese, Henry Walters, and Thomas John to lease part of the lands of the Company near Beaver Meadow was read and referred to the Road Committee with power to grant a lease on such terms as they approve of.

EXTRACT FROM MINUTES OF A MEETING OF THE BOARD OF 9770
DIRECTORS OF THE LEHIGH VALLEY RAILROAD COMPANY, HELD AT THE OFFICE OF THE COMPANY IN PHILADELPHIA, NOV. 13, 1866.

Present,

Asa Packer, Elisha A. Packer, David Thomas, John Taylor Johnston, Ashbel Welch, Edward H. Trotter, John N. Hutchinson, J. Gillingham Fell and the President.

The Minutes of the last Meeting were read and ap- 9771
proved.

The President on behalf of the Company was authorized to enter into a contract with the Post Office Department for carrying the mail six times a week and return from Penn Haven to Mount Carmel at Two Thousand Dollars per Annum, Asa Packer and Robert H. Sayre were appointed sureties on the Bond required from the Company for the faithful performance of the service, and they were thereby indemnified by this Company from any liability in the premises.

An Agreement with the Warriour Run Mining Com- 9772
pany as submitted was approved and the President was authorized to execute the same on behalf of the Company. It is as follows:

Agreement between the Lehigh Valley Railroad Company and The Warriour Run Mining Company made November 13th, A. D. Eighteen Hundred and sixty six.

If the Warriour Run Mining Company shall locate their breaker on the South Side of the Warriour Run at

a suitable height or within twelve hundred feet of the point where the Lehigh Valley Railroad enters the Warriour Run Mining Company's property on the West Side, then in consideration of the business from the same, the Lehigh Valley Railroad Company agree as follows:

To transport such coal as the Warriour Run Mining Company may choose to send by Lehigh Valley Railroad on terms as favorable and with as good facilities as to other parties, and also to transport such coal as the Warriour Run Mining Company may pefer to send via the Nanticoke Railroad with reasonable despatch and on terms as favorable as other coal shall at the time be transported on the lateral railroads in the Wyoming Valley or permit the Lehigh Coal and Navigation Company to transport the coal over this Company's railroad from the Breaker to the Nanticoke Railroad.

EXTRACT FROM MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF THE LEHIGH VALLEY RAILROAD COMPANY, HELD AT THE OFFICE OF THE COMPANY IN PHILADELPHIA, DEC. 11, 1866.

Present,

Asa Packer, John T. Johnston, E. H. Trotter, Charles Hartshorne, David Thomas, John N. Hutchinson, Elisha A. Packer, Josiah O. Stearns, Joseph H. Dulles and the President.

The minutes of the last meeting of the Board were read and adopted.

A Contract with Jonah Reese & Son authorizing them to mine coal from the Company's lands at Beaver Meadow, were read and approved.

## L. V. COAL SALES CO. EXHIBIT NO. 1. 9777

LEHIGH VALLEY RAILROAD COMPANY

OFFICE OF THE SECRETARY

228 SOUTH THIRD STREET,

PHILADELPHIA, PA., June 22, 1910.

TO THE STOCKHOLDERS:

At a meeting of the Board of Directors, held this day, the following resolution was adopted:

RESOLVED, That the privilege of subscribing pro rata 9778
at par for 404,411 shares of the common capital stock of this Company of a par value of $20,220,550 be and hereby is offered to the holders of the common and preferred capital stock to the amount of fifty per cent. of their holdings as they stand registered on the books of the Company at 3 p. m., June 30, 1910, subject to the following regulations:

The terms of subscription will be as follows:

Payments may be made in four instalments or they may be made in full, viz:

The first instalment of 25%, or $12.50 per share, at 9779
the time of making the subscription between July 15 and July 31, 1910, inclusive.

The second instalment of 25%, or $12.50 per share, between August 15 and August 31, 1910, inclusive.

The third instalment of 25%, or $12.50 per share, between September 15 and September 30, 1910, inclusive.

The final instalment of 25%, or $12.50 per share, between October 15 and October 31, 1910, inclusive.

Stockholders so desiring may make payment in full at the time of making the subscription, between July 15 and 9780
July 31, 1910, inclusive, but not later.

Warrants will be issued by the Secretary to each stockholder of record as of June 30, 1910, specifying the amount of stock which each stockholder is entitled to subscribe for under this privilege. Stockholders who may not desire to avail themselves of the privilege of subscribing for their allotment and who may prefer to dispose of the same can do so by executing the assignment on the back of the warrant.

9781 The warrants with the form of subscription on the back thereof, properly executed, must be surrendered at the time of making the first payment, viz: between July 15 and July 31, 1910, inclusive, and if not so returned and the first payment so made, the warrant shall be void and of no value.

Upon the payment of the last instalment there will be issued a check for interest at the rate of six per centum per annum on the first instalment from July 31, 1910, on the second instalment from August 31, 1910, and on the third instalment from September 30, 1910, all up to
9782 October 15, 1910, which will amount to 28 cents per share.

To subscribers making payment in full between July 15 and July 31, 1910, inclusive, and to those making payment of the last instalment between October 15 and October 31, 1910, inclusive, full paid negotiable stock receipts will be issued for whole shares exchangeable ten days after payment for stock certificates carrying all dividends declared or payable thereafter.

For fractional shares receipts will be issued upon payments in full, or upon payment of the last instalment,
9783 between October 15 and October 31, 1910, inclusive. These receipts will not carry any dividend or interest, but will be convertible into shares when the fractions presented make whole shares, provided such conversion is made on or before November 30, 1910. All such fractional receipts that have not been converted into shares and which may be outstanding after November 30, 1910, will be redeemable in cash at their face value without interest, and shall have no other right.

Fractional receipts will pass by delivery.

9784 The right to receive stock shall not accrue to any stockholder under this privilege unless the terms of subscription are fully complied with and payments made at the dates hereinbefore stated, and no subscription or assignment of the privilege will be recognized unless made on the forms provided by the Company.

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Warrants will be mailed to stockholders of record as of June 30, 1910, within one week thereafter to the address now recorded in the Secretary's office, to which

dividends are mailed, and where such address is given in care of Trust Companies, or others, the warrants will be sent to such authorized address for delivery to the stockholders, unless otherwise ordered prior to June 30, 1910. 9785

To guard against mistake or failure in such mailing, every stockholder who does not receive a warrant must call upon the Secretary to deliver the same to him and shall not be excused from not thus demanding the same because of alleged reliance upon the offer to mail the same. 9786

Stockholders who have not authorized an address to which communications may be sent may obtain their warrants upon application at the office of the Secretary of the Company not later than July 31, 1910.

Fractions desired to complete full shares, or fractions which holders desire to dispose of, will not be sold or purchased by the Company.

Checks or drafts for payment of subscription should be drawn in favor of Lehigh Valley Railroad Company, and delivered to the treasurer of the Company at the above address. 9787

All communications in relation to the foregoing should be addressed to the undersigned.

D. G. Baird,
Secretary.

9788

9789 L. V. COAL SALES CO. EXHIBIT NO. 2.




9790 # Lehigh Valley Railroad Company

## LIST OF

9791 ## OFFICERS, AGENTS, STATIONS, EQUIPMENT, FACILITIES, ETC.

## No. 4.

**Superseding No. 3, dated September 1, 1905.**

9792

**November 1, 1910.**

# Lehigh Valley Coal Sales Co. Exhibit No. 3.

APPRAISAL OF COAL HANDLING PROPERTIES

DECEMBER, 1911

| Owner of Structures | Location | Description | Year Built | Storage Capacity Gr. Tons | Present Value | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Structures | | | |
| | | | | | Cost Reproduction New | Depreciation | Present Value of Structures | Land | Present Value of Land and Structures |
| L. V. Coal Co. | Newark—Riverside Dock | Shipping Plant & Retail Pockets | 1909 | 3,661 | $ 52,301. | $ 3,583. | $ 48,718. | $ 11,000. | $ 59,718 |
| | Ransom | Storage Plant—Open | 1906 | 385,000 | 492,003. | 28,558. | 463,445. | *10,350. | 473,795 |
| | Hudsondale | Storage Plant—Open | 1907 | 290,000 | 313,853. | 55,617. | 258,236. | *486. | 258,722. |
| | Wende—Wyoming Storage | Storage Plant—Covered | 1907 | 120,000 | 317,155. | 18,330. | 298,825. | 20,128. | 318,953. |
| | Chicago—Chicago Ave. Dock | Shipping Plant & Retail Pockets | 1882 | P'k'ts. 450 St'r'ge. 20,000 | 66,189. | 33,658. | 32,511. | 169,653. | 202,164. |
| | " —Calumet Dock | Ship. & Storage Plant—Covered | 1909 | 120,000 | 570,639. | 44,161. | 526,478. | †200,000. | 726,478. |
| | Milwaukee—Canal St. Dock | Ship. & Storage Plant—Covered | 1907 | 75,000 | 422,730. | 23,370. | 399,360. | 142,275. | 541,635. |
| | St. Paul—Arcade St. | Retail Pockets | 1904 | 1,000 | 9,310. | 2,470. | 6,840. | 14,475. | 21,315. |
| | Superior | Ship. & Stor. Plant—Covered & Open | 1894 | Covered 126,000 Uncov. 30,000 | 339,917. | 93,575. | 246,342. | 76,850. | 323,192. |
| | Total | | | | 2,584,077. | 303,322. | 2,280,755. | 645,217. | 2,925,972. |
| Coxe Bros. & Co., Inc. | Chicago—Clybourne Ave. Dock | Ship. & Storage Plant—Covered | 1896 | 35,000 | 120,714 | 47,389. | 73,325. | 150,830. | 224,155. |
| | " —Ann Street | Retail Pockets | .... | 600 | 14,494. | 1,793. | 12,701. | 120,475. | 133,176. |
| | Total | | | | 135,208. | 49,182. | 86,026. | 271,305. | 357,331. |
| L. V. R. R. | Newark—So. Broad Street | Retail Pockets (including provisions for fuel coal) | 1902 | 9,460 | 222,943. | 76,232. | 146,711. | 79,652. | 226,363. |
| | " —Irvington | Retail Pockets | 1905 | 786 | 22,163. | 4,344. | 17,819. | 20,561. | 38,380. |
| | Jersey City—Grand St. | Retail Pockets | 1890 | 4,794 | 42,679. | 31,938. | 10,741. | 61,080. | 71,821. |
| | South Plainfield | Storage Plant—Open | 1891 | 310,000 | 266,520. | 14,421. | 252,099. | 4,071. | 256,170. |
| | Rochester | Retail Pockets (including provisions for fuel coal) | 1892-5 | | 88,551. | 39,700. | 48,851. | 41,250. | 90,101. |
| | Total | | | | 642,856. | 166,635. | 476,221. | 208,614. | 682,835. |
| Grand Total | | | | | $3,362,141. | $ 519,139. | $2,843,002. | $1,123,136. | $3,966,138. |

*Lands owned by L. V. R. R. and leased to L. V. Coal Co.
†Land owned by E. T. Stotesbury and use granted to L. V. Coal Co. for $9,000. per annum, with option to purchase for $200,000.

9796 9795 9794 9793

THIS PAGE BOUND VERTICAL IN BOOK

# Lehigh Valley Railroad




## COMPLETE TIME TABLES

BETWEEN
NEW YORK PHILADELPHIA
AND
WILKES-BARRE ITHACA GENEVA
ROCHESTER BUFFALO
NIAGARA FALLS CHICAGO
AND THE WEST

J. F. MAGUIRE,
GENERAL MANAGER,
SOUTH BETHLEHEM, PA.

C. W. KINNEY,
SUPERINTENDENT OF TRANSPORTATION,
SOUTH BETHLEHEM, PA.

# Lehigh Valley Railroad




## COMPLETE TIME TABLES

BETWEEN
NEW YORK PHILADELPHIA
AND
WILKES-BARRE ITHACA GENEVA
ROCHESTER BUFFALO
NIAGARA FALLS CHICAGO
AND THE WEST

CHAS. S. LEE,
GENERAL PASSENGER AGENT,
143 LIBERTY ST., NEW YORK

F. E. HAMMANN,
ASSISTANT GENERAL PASSENGER AGENT,
143 LIBERTY ST., NEW YORK

**SEE MAP**

in center of folder for location of Ithaca—convenient to New York and Buffalo on main line of traffic from sea coast to Chicago and the West. See time tables for frequency of passenger service Ithaca enjoys—thirteen trains a day and special sleeper service to New York.



PART OF REMINGTON SALT WORKS, ITHACA.

# Ithaca Wants More Industries

Ithaca, N. Y., a city of 50,000 people, is on the main line of travel between the Great West and the eastern seaboard, in direct communication with domestic and world markets.

In addition to railroad facilities it is served by the large steamers of Lake Cayuga, and by the new barge canal of which it is the southern terminal. Its industrial activities are many—chain works that drive a million horse power; salt works with an output of 100 tons per day; the largest double barrel shot gun factory in the world, which sells its products in every known country; flour mills with a capacity of 300 barrels per day; sign works doing a national business; calendar clocks; autophones; traction engines; furniture; carriages; well drilling machinery; tools; engines; boats; portable houses; cement; coal bags; brick; paper; incubators and condensed milk.

In addition to industry, Ithaca is well known as an educational centre. Cornell University attracts students from all over the country. The reputation of its agricultural college is world wide. Schools and churches are unequalled. It is one of the garden spots of the world in which to live.

**Definite Openings Now**

for a greenhouse, a wood-working plant and a cannery. There is undeveloped water power. Electric power and anthracite coal are cheap.

The Industrial Commission of Ithaca is organized for the purpose of assisting industries to locate in that city.

The Industrial Department of the Lehigh Valley Railroad is working in close touch with the business organizations of every town along the line as well as Ithaca, and it has much valuable data concerning sites and inducements. Ask or write to P. H. Burnett, Industrial Commissioner, 143 Liberty St., New York City.

## L. V. COAL SALES CO. EXHIBIT NO. 5. 9801

### CERTIFICATE OF INCORPORATION

OF THE

### LEHIGH VALLEY COAL SALES COMPANY

This is to certify that the undersigned do hereby associate themselves into a corporation under and by virtue of the provisions of the act of the Legislature of the State of New Jersey, entitled "An act concerning corporations, (Revision of 1896)," and the several supplements thereto and acts amendatory thereof, and do severally agree to take the number of shares of capital stock set opposite their respective names, and to that end they do by this certificate set forth: 9802

1. The name of the corporation is Lehigh Valley Coal Sales Company.

2. The location of the principal office in this State is 15 Exchange Place, Jersey City, New Jersey. The name of the agent therein and in charge thereof, upon whom process against this corporation may be served is The Corporation Trust Company. Said office is to be the registered office of said corporation. 9803

3. The objects for which this corporation is formed are:

To purchase or to sell or otherwise deal or traffic, at wholesale or retail or upon commission or otherwise, in anthracite and bituminous and other coal or coals, coke, ores, metals, minerals, fuels, woods, lumber, or other like materials, wares or merchandise, and any of the products thereof, and any article or articles consisting, or partly consisting, thereof, and generally to act as sales and purchasing agent or factor of any or all of said goods, articles or wares, or of other corporations, firms and individuals likewise engaged. 9804

To construct, build or establish, or buy, or otherwise acquire, maintain, operate, use or lease piers, docks, slips, plants, buildings, bridges, machinery, ships, boats, engines, cars, and other equipment, and the railroad side tracks, viaducts, aqueducts, waterworks, gas works and electric works, canals and other waterways, and any other means of transportation connected therewith.

9805 To buy, acquire, purchase, sell, make, alter, hire and deal in apparatus, machinery, hardware and articles of all kinds capable of being used for the purpose of the business or businesses herein mentioned or likely to be required by the customers thereof.

To apply for, obtain, register, purchase, lease, or otherwise to acquire, and to hold, use, own, operate and introduce, and to sell, assign or otherwise dispose of, any trade-marks, trade names, patents, inventions, improvements and processes used in connection with or secured
9806 under letters patent of the United States or elsewhere, or otherwise; and to use, exercise, develop or grant licenses in respect of, or otherwise to turn to account, any such trade-marks, patents, licenses, processes and the like, or any such property or rights.

To acquire by purchase, subscription or otherwise, and to hold or to dispose of any bonds or other securities of indebtedness or obligations, or any shares of capital stock of any corporation or corporations, association or associations, of the State of New Jersey, or of any other State, territory or country, formed for, or then or there-
9807 tofore engaged in or pursuing any one or more of the kinds of business, purposes, objects or operations above indicated, or owning or holding any property of any kind herein mentioned; or of any corporation owning or holding the stocks or obligations of any such corporation.

To acquire by purchase, subscription or otherwise and to hold for investment or otherwise to use, sell or dispose of, and to guarantee the principal, interest and dividends of any stock, bonds or other obligations of any corporation or corporations, association or associa-
9808 tions, of the State of New Jersey, or of any other State territory or country, to aid in any manner any corporation whose stock, bonds or other obligations are held or are in any manner guaranteed by the company, and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds or other obligations, or to do any acts of things designed for any such purpose; and, while owner of any such stock, bonds, or other obligations, to exercise all the rights, powers and privileges of owner-

ship thereof, and to exercise any and all voting power 9809
thereon.

The business or purpose of the company is from time to time to do any one or more of the acts and things herein set forth, either as principal or as agent; and it may conduct its business in other States and in the territories and in foreign countries, and may have one office or more than one office, and keep the books of the company outside of the State of New Jersey, except as otherwise may be provided by law; and may hold, purchase, mortgage and convey real and personal property either 9810
in or out of the State of New Jersey.

The foregoing clauses shall be construed both as objects and powers, and it is hereby expressly provided that the foregoing enumeration of the specific powers shall not be held to limit or restrict in any manner the powers of said corporation.

Without in any particular limiting any of the objects and powers of the corporation, it is hereby expressly declared and provided that the corporation shall have power to borrow money, to issue bonds and other obligations in payment for property purchased or acquired 9811
by it, or for any object in or about its business; to mortgage or pledge any stocks, bonds or other obligations or any property which may be acquired by it, to secure any bonds or other obligations by it issued or incurred; to guarantee any dividends or bonds or contracts or other obligations; and to make and perform contracts of any kind and description in carrying on its business or for the purpose of attaining or furthering any of its objects.

4. The total authorized capital stock of the corpora- 9812
tion is ten million dollars ($10,000,000), divided into two hundred thousand (200,000) shares of the par value of fifty ($50) dollars each.

Subscribers shall have the right to subscribe for any fractional part of one share, provided, however, that the holder of any such fractional part or of any number of fractional parts, or the combined holders of fractional parts of one or more shares, shall not have the right at any time, either out of surplus or net earnings, or other-

9813 wise, to receive any dividend or interest whatsoever thereon, or to exercise any voting rights of any kind whatsoever thereon; provided further, however, that fractional parts of a share shall be transferrable upon the books of the company and in accordance with its by-laws, and that any one person holding fractional parts of one share equivalent to one full share of the par value of fifty ($50) dollars shall have the right to surrender his certificates for such fractional parts and receive in lieu thereof a new certificate for one full share of the
9814 par value of fifty ($50) dollars, entitling the holder thereof to all the rights enjoyed by any other shareholder of a full share of the corporation. In every case, however, a separate certificate shall represent any fractional part or parts of a share.

5. The names and post office addresses of the incorporators and the number of shares subscribed for by each, the aggregate of such subscriptions being the amount of capital stock with which the company will commence business, are as follows:

9815

| Name. | Post Office Address. | Number of Shares. |
|---|---|---|
| John W. Skeele, | Madison, New Jersey. | 1 |
| Paul Moore, | 4 East 54th St., New York City. | 1 |
| George N. Wilson, | 5959 Woodbine Ave., Overbrook, Philadelphia, Pa. | 1 |
| Lyman D. Smith, | 899 St. Marks Ave., Brooklyn, N. Y. | 17 |
| | | 20 |

9816

6. The duration of the company shall be perpetual.

7. The number of directors of the company shall be seven. The directors shall be classified with respect to the time for which they shall severally hold office by dividing them into four classes, the first three classes to consist of two directors each and the fourth class to consist of one director. The directors of the first class shall be elected for a term of one year; the directors of the second class for a term of two years; the directors of

the third class for a term of three years; and the director of the fourth class for a term of four years; and at each annual election the successor or successors to the class of director or directors whose term or terms shall expire in that year shall be elected to hold office for a term of four years, so that the term of office of one class of directors shall expire in each year. 9817

In case of any vacancy in any class of directors, through death, resignation, disqualification or other cause, the remaining directors, by affirmative vote of a majority of the Board of Directors, may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant and until the election of a successor. 9818

The Board of Directors, by the affirmative vote of a majority of the whole board may make and enact by-laws providing for the management of the property, the regulation and government of its affairs, the transfer of its stock, and other matters pertaining to the business of the company, and from time to time may alter, amend or repeal any by-laws; but any by-laws made by the directors may be altered or repealed by the stockholders at any annual meeting or at any special meeting, provided notice of such proposed alteration or repeal be included in the notice of a meeting. 9819

The Board of Directors shall have power to hold their meetings outside the State of New Jersey at such places as from time to time may be designated by the by-laws or by resolution of the Board.

The Board of Directors may appoint the officers of the company, including the President, and also one or more Vice-Presidents, or one or more Assistant Treasurers, or one or more Assistant Secretaries, and to the extent provided in the by-laws the Vice-President or Vice-Presidents so appointed shall have and may exercise all the powers of the President, and the Assistant Treasurer or Assistant Treasurers and the Assistant Secretary or Assistant Secretaries all the powers of the Treasurer and Secretary, respectively. 9820

Any officers elected or appointed by the Board of Directors may be removed at any time by the affirmative

9821 vote of a majority of the whole Board of Directors. Any other officer or employee of the company may be removed at any time by vote of the Board of Directors or by any committee or superior officer upon whom such power of removal may be conferred by the by-laws or by vote of the Board of Directors.

The Board of Directors shall have power from time to time to fix and to determine and to vary the amount of the working capital of the company; and to direct and determine the use and disposition of any surplus or
9822 net profits over and above the capital stock paid in, by declaring dividends at such time or times as they may deem advisable, or otherwise, and in its discretion the Board of Directors may use and apply any such surplus or accumulated profits in purchasing or acquiring its bonds or other obligations or shares of its own capital stock, to such extent and in such manner and upon such terms as the Board of Directors shall deem expedient; but shares of such capital stock so purchased or acquired may be resold unless such shares shall have been retired for the purpose of decreasing the company's
9823 capital stock as provided by law.

The Board of Directors from time to time shall determine whether and to what extent, and at what times and places, and under what conditions and regulations the accounts and books of the corporation or any of them, shall be open to the inspection of the stockholders and no stockholder shall have any right to inspect any account or book or document of the corporation except as conferred by statute or authorized by the Board of Directors, or by a resolution of the stockholders.

9824 As authorized by the act of the Legislature of the State of New Jersey, passed March 22, 1901, amending the seventeenth section of the "Act concerning corporations (revision of 1896)," any action which theretofore required the consent of the holders of two-thirds of the stock at any meeting after notice to them given, or required their consent in writing to be filed, may be taken upon the consent of, and the consent given and filed by the holders of two-thirds of the stock represented at such meeting in person or by proxy.

IN WITNESS WHEREOF we have hereunto set our hands 9825
and seals this nineteenth day of January, A. D. 1912.
Signed, seal and delivered
in presence of:
W. H. CORBIN
F. H. SILVERNAIL

JOHN W. SKEELE (L. S.)
PAUL MOORE (L. S.)
GEORGE N. WILSON (L. S.)
LYMAN D. SMITH (L. S.)

STATE OF NEW YORK, } 9826
CITY AND COUNTY OF NEW YORK, } ss.:

Be it remembered that on this nineteenth day of January, A. D. 1912, before me, a Master in Chancery of the State of New Jersey, personally appeared John W. Skeele, Paul Moore, George N. Wilson and Lyman D. Smith, who I am satisfied are the persons named in and who executed the foregoing certificate, and, I having first made known to them the contents thereof, they did each acknowledge that they signed, sealed and delivered the same as their voluntary act and deed for the uses and 9827
purposes therein expressed.

WILLIAM H. CORBIN
Master in Chancery
of New Jersey.

REGISTERED in the office of the Company at Jersey City, in the County of Hudson, this 22nd day of January, 1912.
THE CORPORATION TRUST COMPANY
Registered Agent
By
B. S. MANTZ, 9828
Treasurer.

ENDORSED:
"Received in the Hudson Co., N. J., Clerk's office Janu 22 A. D. 1912 and Recorded in Clerks Record No. —— on Page ——
JOHN F. CROSBY
Clerk."

"FILED AND RECORDED
Jan 22 1912
S. D. Dickinson
Secretary of State."

9829 STATE OF NEW JERSEY

DEPARTMENT OF STATE.

I, S. D. DICKINSON, Secretary of State of the State of New Jersey, DO HEREBY CERTIFY that the foregoing is a true copy of the Certificate of Incorporation of LEHIGH VALLEY COAL SALES COMPANY and the endorsements thereon, as the same is taken from and compared with the original filed in my office on the Twenty-second day
9830 of January, A. D. 1912, and now remaining on file and of record therein.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this Twenty-second day of January, A. D. 1912.

(Seal)

S. D. DICKINSON,
Secretary of State.

A copy of a certified copy.

W. J. BURTON,
Secretary.

9831

## L. V. COAL SALES CO. EXHIBIT NO. 6.

LEHIGH VALLEY COAL SALES COMPANY.

The first meeting of the incorporators of the corporation called the Lehigh Valley Coal Sales Company was held on the 16th day of February, 1912, at 11:00 o'clock in the forenoon, at the registered office of the Company, No. 15 Exchange Place, Jersey City, New Jersey, pursuant to a
9832 waiver of notice, signed by all the incorporators, fixing said time and place.

The following incorporators were present in person:
John W. Skeele, subscribing for 1 share of the stock,
Paul Moore, subscribing for 1 share of the stock,
George N. Wilson, subscribing for 1 share of the stock,
Lyman D. Smith, subscribing for 17 shares of the stock,
being all the incorporators and subscribers to the capital stock of the Company.

On motion, Mr. Skeele was elected Chairman, and Mr. Wilson was appointed Secretary of the meeting.

The Secretary presented and read the waiver of notice 9833
of the meeting.

The Chairman reported that the certificate of incorporation of the Company had been duly recorded in the office of the Clerk of Hudson County on January 22nd, nineteen hundred and twelve, and filed in the office of the Secretary of the State of New Jersey on the same day, and presented a copy of said certificate of incorporation, which was ordered to be entered at length in the minutes of the meeting.

In accordance with the certificate of incorporation, 9834
Messrs. W. R. Evans and L. D. Smith were nominated as Directors of the first class to hold office for one year, being the ensuing year, Messrs. J. W. Skeele and Paul Moore were nominated as Directors of the second class to hold office for two years, being the ensuing two years,

Messrs. T. W. Lamont and H. G. Lloyd were nominated as Directors of the third class to hold office for three years, being the ensuing three years, and

Mr. F. L. Hine was nominated to be a Director of the fourth class to hold office for four years, being the ensuing four years. 9835

No other nominations having been made, the polls were duly opened and ballot having been had and all the stockholders having voted, the polls were declared closed and the Chairman declared that the aforesaid gentlemen had been duly elected Directors of the Company by the unanimous vote of the stockholders.

Upon motion duly made and seconded and by the affirmative vote of all present, it was

RESOLVED, That the Board of Directors be, and 9836
they hereby are, authorized to issue one hundred and twenty-one thousand two hundred and sixteen (121,216) shares of the capital stock of the company amounting in the aggregate to the par value of six million, sixty thousand eight hundred ($6,060,800) dollars, in such amounts and proportions as, from time to time, shall be determined by the Board of Directors and as may be permitted by law.

The meeting thereupon adjourned.

G. N. WILSON,
Secretary pro tem.

9837 **L. V. COAL SALES CO. EXHIBIT NO. 7.**

LEHIGH VALLEY COAL SALES COMPANY.

The first meeting of the Board of Directors of the Lehigh Valley Coal Sales Company was held on the 16th day of February, 1912, at No. 90 West Street, New York City, at two o'clock, p. m., pursuant to a waiver of notice, signed by all the Directors, fixing said time and place.

9838 There were present: Messrs. J. W. Skeele, F. L. Hine, Paul Moore, H. G. Lloyd, T. W. Lamont, L. D. Smith and W. R. Evans, constituting a quorum of the Board.

Mr. Hine was chosen Chairman, and Mr. Wilson was appointed Secretary of the meeting.

The Secretary presented and read a waiver of notice of the meeting, signed by all the Directors, and the same was ordered filed.

The minutes of the first meeting of incorporators were read.

9839 The Secretary presented a code of By-Laws for the regulation of the affairs of the Company, which were read, article by article, and, on motion, duly seconded, and by the affirmative vote of all present, it was

RESOLVED, That the code of By-Laws just presented and read by the Secretary be, and they hereby are, adopted as the By-Laws of this company; the said By-Laws to be entered at length in the minutes of this meeting.

9840 The following gentlemen were unanimously elected Officers of the Company to serve for one year and until their successors are chosen and qualify:

| | |
|---|---|
| President, | J. W. Skeele, |
| Vice President, | G. N. Wilson |
| Secretary, | G. N. Wilson |
| Assistant Secretary, | W. J. Burton |
| Treasurer, | W. J. Burton |
| Assistant Treasurer, | A. R. Kyle |

The President thereupon took the Chair. 9841
On motion, duly seconded, and by the affirmative vote of all present, it was

RESOLVED, That the Treasurer and the Assistant Treasurer be, and each of them hereby is, required to give and file with the Secretary of the Company a surety bond in the sum of $50,000, for the faithful performance of their duties, which bonds shall be in form satisfactory to the President of the Company.

Upon motion, duly made and seconded, it was 9842

RESOLVED, That the seal, an impression of which is hereto affixed, be and hereby is adopted as the corporate seal of the company.

On motion, duly seconded, and by the affirmative vote of all present, it was

RESOLVED, That the use of the First National Bank of New York, the Bankers Trust Company of New York, and the banking house of Drexel & Company, Philadelphia, as depositories for the funds of this 9843
Company be and hereby is approved.

The President reported that engraved certificates of stock of the company were now in process of preparation, and that it is expected that the supply will be received in ample time for the execution, registration and delivery of the certificates on or about February 26th next, to subscribers who will be entitled thereto; that as it was proposed, for the convenience of stockholders, to maintain an office for the transfer of stock elsewhere than at 9844
the registered office of the company in the State of New Jersey, he had accordingly fixed the location of such office at No. 90 West Street, Borough of Manhattan, City of New York. He further reported that, in order to conform to the usual and customary practice, and to establish proper safeguards for the issue of stock certificates, it would be necessary to appoint a Registrar, and recommended that the Bankers' Trust Company, of New York, be appointed to act as Registrar of this Com-

9845 pany's capital stock; and also that he had appointed Messrs. A. R. Kyle and W. L. Summers as Transfer Agents to countersign this Company's stock certificates.

The President further reported that as it would be necessary to issue fractional part of shares in tenths, and as the holders of fractional parts of shares would not be entitled to any dividends, interest or voting power, and therefore the fractional certificates would speedily be converted into full shares, he had arranged for the preparation of lithographed certificates, bearing the fac-
9846 simile signatures of the Vice President and the Treasurer, but to be validated by the impress of the seal of the Company and a countersignature, and that he had appointed Messrs. Wm. B. Cramer, W. F. Brogan, W. J. Corr, A. R. Kyle and W. L. Summers, or any one of them, to countersign the said certificates of fractional shares.

Whereupon, on motion, duly seconded, and by the affirmative vote of all present, it was

RESOLVED, That the Bankers' Trust Company be
9847 and hereby is appointed Registrar of this Company's capital stock.

RESOLVED, That the location of an office for the transfer of stock at No. 90 West Street, Borough of Manhattan, City of New York, be and hereby is approved and confirmed; such office, also, to be the principal place of business of the Company outside of the State of New Jersey, and the place where the meetings of the Board of Directors shall be held.

RESOLVED, That the appointment of Messrs. A. R. Kyle and W. L. Summers as Transfer Agents, to
9848 countersign the capital stock certificates of this company, be and hereby is approved and confirmed.

RESOLVED, That the appointment of Messrs. Wm. B. Cramer, W. F. Brogan, W. J. Corr, A. R. Kyle and W. L. Summers, or any one of them, to countersign this Company's fractional stock certificates, be and hereby is approved and confirmed.

RESOLVED, That M. F. Johnson be, and he hereby is, authorized, in the absence of the President or

Vice President, to sign certificates of the capital stock of this Company "M. F. Johnson for President." 9849

Upon motion, duly seconded, and by the affirmative vote of all present, it was

RESOLVED:

*First:* That in compliance with the Laws of the State of New Jersey this corporation have and continuously maintain a principal office and place of business within the State of New Jersey and have an Agent at all times in charge thereof upon which Agent process against this corporation may be served, and therein keep the stock and transfer books for the inspection of all who are authorized to see the same and for the purpose of recording transfers of stock. 9850

That the name of this corporation shall be at all times conspicuously displayed at the entrance of its principal office in the State of New Jersey.

*Second:* That such office and place of business be in and at the office of the Corporation Trust Company, 15 Exchange Place, Jersey City, New Jersey, and that this company be registered with the Corporation Trust Company, 15 Exchange Place, Jersey City, New Jersey. 9851

RESOLVED, That the proper officers of this Company be, and they hereby are, authorized and directed in behalf of the company and under its corporate seal, or otherwise, from time to time, to make and file any and all certificates, statements, reports, or other instruments required to be filed in any state or states or Dominion of Canada in which the President shall find it necessary or advisable to file the same in order to authorize the company to transact business in such state or states or Dominion of Canada. 9852

The Secretary was ordered to cause to be made and filed in the office of the Secretary of the State of New Jersey the reports of Officers, Directors, etc., required

9853 by Section 43 (as amended) of "An Act concerning corporations (Revision of 1896)" of New Jersey.

Upon motion, duly made and seconded, it was

RESOLVED, That regular meetings of this Board be held on the 3rd Tuesday of each month, at 9:45 a. m.,

RESOLVED, That a fee of $20.00 be paid all Directors, except salaried officers of the company, attending meetings of this Board.

Upon motion, the meeting adjourned.

9854 G. N. WILSON,
Secretary.

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## L. V. COAL SALES CO. EXHIBIT NO. 8.

A meeting of the Board of Directors of the Lehigh Valley Coal Sales Company was held on the 27th day of February, 1912, at No. 90 West Street, New York City, at 2 o'clock, p. m., pursuant to a call by notice duly mailed by the Secretary, February 23rd, 1912, fixing said time and

9855 place.

There were present: Messrs. J. W. Skeele, F. L. Hine, Paul Moore, H. G. Lloyd, T. W. Lamont, L. D. Smith and W. R. Evans, constituting a quorum of the Board.

The minutes of the meeting of February 16, 1912, were read and approved.

The president submitted a draft of a contract with the Lehigh Valley Coal Company, a corporation of the State of Pennsylvania, covering the purchase by this company in Pennsylvania of the product of its mines, as well as

9856 certain coal that company is now purchasing in Pennsylvania from other persons and corporations upon certain terms and conditions, to date as of March 1, 1912. The President further submitted a draft of a lease by the Coal Company of certain facilities, docks, trestles and other things having to do with the physical handling of the Coal Company's coal (now owned by it or held under lease) to this company for the term and period of the contract of March 1, 1912, and subject thereto. Both the contract and the lease (the President stated) had been

submitted to and approved as to form by counsel, and were carefully considered by the Directors, and action deferred until the next meeting. 9857

Upon motion, the meeting adjourned until 3:00 o'clock, p. m., February 28, 1912.

G. N. WILSON,
Secretary.

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## L. V. COAL SALES CO. EXHIBIT NO. 9.

A meeting of the Board of Directors of the Lehigh Valley Coal Sales Company was held on the 28th day of February, 1912, at No. 90 West Street, New York City, at 3:00 o'clock, p. m., pursuant to adjournment of meeting held at same place on February 27, 1912. 9858

There were present: Messrs. J. W. Skeele, F. L. Hine, Paul Moore, H. G. Lloyd, T. W. Lamont, L. D. Smith and W. R. Evans, constituting a quorum of the Board.

The minutes of the directors' meeting of February 27, 1912, were read and approved. 9859

The President reported that the entire authorized issue of 121,216 shares of the capital stock of the company had been subscribed and fully paid in to the treasury of the company, viz.:

$5,879,710 by stockholders of the Lehigh Valley R. R. Company through proxies authorizing Drexel & Company so to do.
1,000 by the incorporators of the company.
180,090 by Drexel & Company, being the amount not subscribed for by stockholders of the Lehigh Valley Railroad Company. 9860

The Board resumed its consideration of the draft of contract and draft of lease agreement, submitted by the President at the meeting held on February 27th. It was thought desirable to enter into this contract and lease on the part of this company and it was so voted.

9861 Thereupon, on motion, it was

RESOLVED, That the President and Secretary of this Company be, and they hereby are, authorized and empowered to execute, under the seal of the company, a certain contract to bear date March 1, 1912, between The Lehigh Valley Coal Company and the Lehigh Valley Coal Sales Company, effective that date, for the sale and delivery of the coal produced by The Lehigh Valley Coal Company at its mines in Pennsylvania where the same is prepared, as well
9862 as certain coal The Lehigh Valley Coal Company now purchases from others, deliveries to be made as to the purchase coal at the breakers where the same is mined and prepared upon certain terms and conditions therein contained, as well as a lease of certain facilities now held by The Lehigh Valley Coal Company either as owner or under lease, namely, docks, coal trestles, storage plants and other things having to do with the physical handling of the coal, as well as certain other facilities of this
9863 character it leases to various persons in connection with contracts and otherwise, the lease to bear date March 1, 1912, and subject to certain conditions and restrictions as therein contained.

Upon motion, duly seconded, and by the affirmative vote of all present, it was

RESOLVED, That the Treasurer be, and he hereby is, authorized and directed to give this Company's demand note, dated March 1, 1912, bearing interest
9864 at the rate of 3½% per annum, in the principal sum of $1,000,000., to Messrs. Drexel & Company, of Philadelphia.

The President presented the following resolution, and upon motion, duly made and seconded, it was

RESOLVED, That the following banks be, and they hereby are, designated as depositories of the Company's funds:

E. P. Wilbur Trust Co., So. Bethlehem, Pa.

Manufacturers & Traders National Bank, Buffalo, N. Y. 9865
Traders National Bank, Rochester, N. Y.
Union Trust Company, Chicago, Ill.
Wisconsin National Bank, Milwaukee, Wis.
First National Bank, Minneapolis, Minn.
Commercial National Bank, Syracuse, N. Y.

On Motion, duly seconded, and by the affirmative vote of all present, it was

RESOLVED, That the day and hour named in the resolution of this Board, adopted at its meeting held February 16, 1912, as the time for holding stated meetings, be and they hereby are changed to the Fourth Friday of each month at the hour of ten o'clock in the forenoon. 9866

On motion, duly seconded, and by the affirmative vote of all present, it was

RESOLVED, That this Corporation hereby appoints the Commissioner of Corporations of the Commonwealth of Massachusetts, or his successor in office, to be its true and lawful attorney in and for said Commonwealth, upon whom all lawful processes in any action or proceeding against the Corporation in said Commonwealth may be served, in like manner and with the same effect as if this Corporation existed therein. And this Corporation hereby stipulates and agrees that any lawful process against it, which is served on its said Attorney shall be of the same legal force and validity as if served on this Corporation. This appointment, and the authority of said Attorney, shall continue in force so long as any liability remains outstanding against this Corporation in said Commonwealth; and the President and Secretary are hereby authorized to execute in the name of the Corporation and under its corporate seal, a certificate of authority or power of attorney to the said Commissioner of Corporations, in conformity with this resolution and the laws of said Commonwealth. 9867 9868

9869 RESOLVED, That George W. Moore of Detroit, Michigan, be and he is duly appointed the agent of this Company, and authorized to acknowledge service of any and all process for and on behalf of this Company; and this Company does hereby consent that service of process upon said George W. Moore shall be taken and held to be as valid as if served upon this Company, according to the laws of the State of Michigan or any other State, and this Company hereby waives all claim of error by reason of such

9870 service.

RESOLVED, That L. L. Stevens, residing at Pierre, in the County of Hughes, in the State of South Dakota, be, and he hereby is, appointed this Company's Agent resident in said State, for the purposes hereinafter named, only, and he is hereby duly authorized to accept service of process, and upon whom service of process may be made in any action in which said corporation may be a party, and service upon him shall be taken and held as due and personal service upon said corporation.

9871

Upon motion, the meeting adjourned.

G. N. WILSON,
Secretary.

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## L. V. COAL SALES CO. EXHIBIT NO. 10.

New York Curb Market Association,

25 Broad Street,

9872 New York.

Posted.....19..
Listed.....19..

APPLICATION BLANK FOR INDUSTRIAL CORPORATIONS. FURTHER REQUIREMENTS ON BACK OF THIS APPLICATION.

This notice of application will be posted for five regular business days on public blackboard before any sales can be recorded on regular lists of the New York Curb

Market. Objections may be filed at the office for immediate investigation. 9873

This application should be signed by an officer of the Company, with its Seal attached, or a Banking House acting as Sales or Transfer Agents for its securities.

Title (in full)—Lehigh Valley Coal Sales Company.

Location—Jersey City, N. J. Dealers in Anthracite coal.

When and where Incorporated—Jan. 22, 1912. General office located: 90 West St. N. Y.

Transfer Agency at New York—90 West Street.

Registrar (must be a Corporation) at New York—Bankers Trust Company. 9874

STOCK, Common Authorized—200,000 shares, Par Value of same $50.00

STOCK, Common Outstanding—121,216 shares; Shares in Treasury—NONE

STOCK, Preferred, Authorized—NONE shares, Par Value of same .....

STOCK, Preferred Outstanding—NONE shares; in Treasury .....

DIVIDENDS, Common stock, rate— ..... When declared ..... 9875

Where payable— ..... Last dividend paid and amount .....

Dividends, Preferred stock, cumulative or non-cumulative— ..... Rate— .....

When declared— ..... —where payable .....

Last dividend paid and amount .....

Stock, full paid or partially paid ..... Full paid. Voting power .....

Bonds, state class of mortgage—NONE. When dated ..... 9876

When due ..... Interest rate ..... When and payable .....

Denomination ..... Provisions for redemption .....

Total issue authorized $..... Amount issued $.....

9877 NAMES OF OFFICERS AND DIRECTORS (Address of each)

President—J. W. Skeele, New York, N. Y.
Vice Prest.—G. N. Wilson, New York, N. Y.
Secretary—G. N. Wilson, New York, N. Y.
Treasurer—W. J. Burton, New York, N. Y.
Directors—J. W. Skeele, L. D. Smith, T. W. Lamont, Paul Moore, F. L. Hine, W. R. Evans, all of New York, and H. G. Lloyd, of Philadelphia, Pa.

9878 NUMBERS AND DENOMINATIONS OF STOCKS OR BONDS OF WHICH TRANSFER HAS BEEN STOPPED.

Application filed, signed and agreed to by LEHIGH VALLEY COAL SALES COMPANY.

(seal)

G. N. Wilson,
Vice President,
March 28th, 1912.

LISTING REQUIREMENTS.

9879 Application to the New York Curb Market Association to list securities must be accompanied by the following requirements:

1. The Company's last statement of Assets and Liabilities.

2. A statement of Income and Expenditure for the last fiscal year.

3. A copy of the last Annual Report.

4. A certified copy of the Certificate of Incorporation made by an Officer of the Company or by its Attorney or Accountant, and a copy of the By-Laws.

9880 5. If a Holding Company, or Consolidation, give names and location of subsidiary companies.

6. Transfer Office and Registrar at New York.

7. The names of all the Officers and Directors with their addresses, and an individual reference for each, if required by the Listing Committee.

The following Resolution was adopted by the Listing Committee on November 16th, 1911, and approved by the Board of Representatives November 16th, 1911.

Resolved, that the New York Curb Market Association

hereby reserves the right at all times to remove any 9881
listed stock from trading and from quotation upon the official list, when in the opinion of the Listing Committee the proper protection of the public requires it.

And be it further Resolved that this be plainly printed upon all application blanks.

The following Resolution was adopted by the Listing Committee on November 29th, 1911, and approved by the Board of Representatives December 13th, 1911:

Resolved, that the Listing Committee may place upon the list for temporary quotations and trading the securi- 9882
ties of a company that gives sufficient preliminary information and engages itself to have its securities formally listed within a reasonable time.

Securities listed on this basis are to be traded in "When, as, and if issued."

The Listing fee is one hundred dollars.

New York Curb Market Association,
25 Broad Street,
New York.

9883

New York, March 29, 1912.

Lehigh Valley Coal Sales Co.,
90 West Street,
New York City.

Gentlemen:—

We beg to inform you that at a regular meeting of the Listing Committee held at the office of the New York Curb Market Association, on Thursday, March 28th, 9884
your application to list the stock of your company was duly approved.

Very truly yours,
F. Leonard Jr.,
Secretary.

# L. V. COAL SALES CO. EXHIBIT NO. 11.

**New York Curb Mark Association**
**25 Broad Street**
**New York**
TELEPHONE 1017 BROAD

Published by the CURB QUOTATION CO., 40 Stone Street, New York.
TELEPHONE 4586 BROAD

The following table shows the open, high, low, last, bid and asked closing prices, with the total shares sold, of the stocks dealt in on the New York Curb Market today, and where there were no sales, the last column shows the previous quotation on actual transactions.

No. 16, Vol. XXV. **NEW YORK, THURSDAY, JULY 9, 1914**

| INDUSTRIALS | TOTAL Shares | Open | High | Low | Last | Bid | Asked | DIVIDENDS. Rate | Payable | Books Close |
|---|---|---|---|---|---|---|---|---|---|---|
| American Light & Traction | —— | —— | —— | —— | 340 | 338 | 345 | 2½Q | 2½stk. Feb. 2 | Jan. 15 |
| American Light & Traction, pfd | —— | —— | —— | —— | 108½ | 109 | 111 | | | |
| British-American Tobacco | 100 | 22 | 22 | 22 | 22 | 21⅞ | 22 | Int. 6% | Jun. 30 | Jun. 17 |
| Brit.-Am. Tob. new | —— | —— | —— | —— | 21⅞ | 22 | 22¼ | Int. 6% | Jun. 30 | Jun. 17 |
| Elkhorn Fuel | 300 | 24¾ | 24⅞ | 24¾ | 24⅞ | 24¾ | 25 | | | |
| Houston Oil | —— | —— | —— | —— | 13¼ | 10 | 14 | | | |
| Inter. Rubber Trust ctfs | —— | —— | —— | —— | 7⅜ | 6 | 7 | | | |
| Kelly Springfield Tire | 1 | 58 | 58 | 58 | 58 | 56 | 58 | | | |
| Kelly Springfield Tire, pfd | —— | —— | —— | —— | 145 | 143 | 146 | 1¾Q | Mar 16 | Mar 2 |
| Kelly Springfield Tire new 1st pfd | 25 | 72 | 72 | 72 | 72 | 76 | 80 | | | |
| Kelly Springfield Tire new 2nd pfd | 19 | 94 | 94 | 94 | 94 | 94 | 100 | | | |
| Lehigh Valley Coal Sales Co | —— | —— | —— | —— | 165 | 170 | 180 | | | |
| Manhattan Transit | —— | —— | —— | —— | ⅞ | ¾ | ⅞ | | | |
| Marconi of America | 150 | 3 | 3 | 3 | 3 | 2¾ | 3 | | | |
| Maxwell Motors, com | 600 | 14¾ | 14¾ | 14¾ | 14¾ | 14¼ | 15⅛ | | | |
| Maxwell Motors 1st pfd | 400 | 44 | 44¾ | 44 | 44½ | 44 | 45 | | | |
| Maxwell Motors 2nd pfd | —— | —— | —— | —— | 18½ | 18 | 19 | | | |
| Mays Oil † | —— | —— | —— | —— | 21 | 15 | 17 | | | |

## L. V. COAL SALES CO. EX. NO. 11—(Continued).

| | TOTAL Shares | Open | High | Low | Last | Bid | Asked | DIVIDENDS. Rate | Payable | Books Close |
|---|---|---|---|---|---|---|---|---|---|---|
| National Cloak & Suit | —— | —— | —— | —— | 53 | 52 | 55 | | | |
| National Cloak & Suit, pfd | —— | —— | —— | —— | 98½ | 97 | 98½ | | | |
| New York Transportation | —— | —— | —— | —— | 5 | 5¼ | 6 | | | |
| Puebla Smelt. & Rfg | 100 | 2¼ | 2¼ | 2¼ | 2¼ | 2¼ | 2⅜ | | | |
| Riker & Hegeman | 2500 | 9½ | 9⅝ | 9¼ | 9½ | 9⅜ | 9½ | | | |
| Savoy Oil | —— | —— | —— | —— | 9 | 7 | 9 | 2 m | May 20 | May 11 |
| Sterling Gum, w. i | 1400 | 6⅞ | 6⅞ | 6¾ | 6⅞ | 6¾ | 7 | | | |
| Tobacco Products, pfd | —— | —— | —— | —— | 87¾ | 86½ | 88 | 1¾Q | Jan. 2 | Dec. 22 |
| United Cigar Stores new | 5000 | 9⅜ | 9½ | 9⅜ | 9½ | 9⅜ | 9½ | | | |
| United Cigar Stores Co. of Am | 3200 | 93¼ | 94 | 93 | 93¼ | 93 | 93½ | 1½Q | Feb. 16 | Jan. 30 |
| United Cigar Stores Co. of Am., pf | —— | —— | —— | —— | 112½ | 110 | 115 | 10c | Feb. 25 | Feb. 15 |
| United Profit Sharing Corp | 11000 | 7½ | 8⅛ | 7⅜ | 8 | 7⅞ | 8 | | | |
| Wayland Oil & Gas | —— | —— | —— | —— | 5⅛ | 5 | 5¼ | 1m | July 10 | July 1 |
| Willys Overland | 650 | 88 | 89 | 87½ | 88 | 88 | 89 | | | |
| Willys Overland, pfd | —— | —— | —— | —— | 95 | 94½ | 95 | | | |
| World Film | 400 | 4⅝ | 4⅝ | 4½ | 4½ | 4½ | 4¾ | | | |
| **STANDARD OIL SUBSIDIARIES** | | | | | | | | | | |
| Atlantic Refining | 1 | —— | 590 | 590 | 590 | —— | —— | | | |
| Crescent Pipe Line | 1 | —— | 49 | 49 | 49 | —— | —— | | | |
| Indiana Pipe Line | 8 | —— | 123 | 123 | 123 | —— | —— | | | |
| National Transit | 30 | —— | 39½ | 39½ | 39½ | —— | —— | | | |
| Northern Pipe Line | 5 | —— | 107 | 107 | 107 | —— | —— | | | |
| Ohio Oil | 36 | —— | 180 | 179 | 180 | —— | —— | | | |
| Prairie Oil & Gas | 26 | —— | 445 | 440 | 445 | —— | —— | | | |
| South Penn Oil | 35 | —— | 282 | 279 | 282 | —— | —— | | | |
| Southern Pipe Line | 10 | —— | 223 | 223 | 223 | —— | —— | | | |
| Standard Oil of California | 25 | —— | 323 | 321 | 323 | —— | —— | | | |
| Standard Oil of Indiana | 30 | —— | 475 | 470 | 475 | —— | —— | | | |
| Standard Oil of New Jersey | 2 | —— | 408 | 408 | 408 | 406 | 408 | 5Q | June 15 | May 20 |
| Standard Oil of New York | 10 | —— | 215 | 215 | 215 | —— | —— | | | |
| Union Tank Line | 53 | —— | 87 | 86 | 86 | —— | —— | | | |
| Vacuum Oil | 1 | —— | 220 | 220 | 220 | —— | —— | | | |

9892 9891 9890 9889

9896 9896 9894 9893

## L. V. COAL SALES CO. EX. NO. 11—(Continued).

| | TOTAL Shares | Open | High | Low | Last | Bid | Asked | DIVIDENDS. Rate | Payable | Books Close |
|---|---|---|---|---|---|---|---|---|---|---|
| **MISCELLANEOUS RIGHTS.** | | | | | | | | | | |
| Cons. Gas rights | ——— | ——— | ——— | ——— | 3 7/8 | 3 3/4 | 3 7/8 | | | |
| Rock Island com. new, w. i. | 500 | 35 | 35 | 35 | 35 | 34 3/4 | 35 1/4 | | | |
| Rock Island pfd. new, w. i. | ——— | ——— | ——— | ——— | 84 | 84 | 84 1/4 | | | |
| Rock Island right | 5000 | 2 3/8 | 2 1/2 | 2 3/8 | 2 1/2 | 2 3/8 | 2 1/2 | | | |
| Union Pacific rts | 200 | 29 3/8 | 29 3/8 | 29 3/8 | 29 3/8 | 29 1/4 | 29 3/8 | | | |
| **MINING STOCKS** | | | | | | | | | | |
| Beaver Consolidated | †——— | ——— | ——— | ——— | 24 1/2 | 24 | 26 | | | |
| Boston Montana | 200 | 9 3/4 | 9 3/4 | 9 3/4 | 9 3/4 | 9 5/8 | 9 7/8 | | | |
| Braden Copper | 150 | 7 7/8 | 7 7/8 | 7 7/8 | 7 7/8 | 7 3/4 | 7 7/8 | | | |
| British Columbia Copper | ——— | ——— | ——— | ——— | 1 5/8 | 1 1/2 | 1 3/4 | | | |
| Buffalo Mines | 200 | 1 | 1 | 1 | 1 | 1 | 1 1/8 | | | |
| Canadian Cop. Corp | ——— | ——— | ——— | ——— | 2 1/4 | 2 | 2 1/8 | | | |
| Canadian Gold Silver | † 1000 | 8 | 8 | 8 | 8 | 7 | 9 | | | |
| Caribou Cobalt | † 200 | 66 | 66 | 66 | 66 | 64 | 68 | | | |
| Consolidated Arizona Smelting | ——— | ——— | ——— | ——— | 1/2 | 1/2 | 9/16 | | | |
| Crown Reserve | 1050 | 1 1/4 | 1 1/4 | 1 1/8 | 1 1/8 | 1 1/8 | 1 3/16 | 2m | June 15 | May 30 |
| El Paso Con | ——— | ——— | ——— | ——— | 1 1/2 | 1 1/4 | 1 1/2 | | | |
| Ely Con | † 800 | 6 | 6 | 6 | 6 | 6 | 7 | | | |
| Florence | †——— | ——— | ——— | ——— | 40 | 38 | 39 | | | |
| Goldfield Cons | 300 | 1 5/8 | 1 7/8 | 1 5/8 | 1 7/8 | 1 5/8 | 1 7/8 | | | |
| Greene-Cananea | 6 | 28 | 28 | 28 | 28 | 28 | 29 | 1Q | June 1 | May 21 |
| Inter. Mines | † 100 | 30 | 30 | 30 | 30 | 29 | 30 | | | |
| Jumbo Extension | † 2500 | 19 1/2 | 19 1/2 | 19 | 19 | 19 | 19 1/2 | | | |
| Kerr Lake | 600 | 5 | 5 1/8 | 5 | 5 1/8 | 5 | 5 1/8 | 25cQ | June 15 | June 1 |
| Keystone | 200 | 1 1/2 | 1 1/2 | 1 1/2 | 1 1/2 | ——— | ——— | | | |
| La Rose Consolidated | ——— | ——— | ——— | ——— | 7/8 | 3/4 | 15/16 | | | |
| Mason Valley | ——— | ——— | ——— | ——— | 2 5/8 | 2 3/8 | 2 3/4 | | | |
| McKinley-Darragh | † 1700 | 62 | 62 | 61 | 61 | 60 | 62 | | | |
| Mines of America | ——— | ——— | ——— | ——— | 3 | 3 | 3 1/8 | | | |
| Mutual Min. & Leasing pfd | 200 | 2 | 2 | 2 | 2 | 1 5/8 | 2 1/8 | | | |

## L. V. COAL SALES CO. EX. NO. 11—(Continued).

| | | TOTAL Shares | Open | High | Low | Last | Bid | Asked | DIVIDENDS. Rate | Payable | Books Close |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Nevada Hills | † | 100 | 32 | 32 | 32 | 32 | 30 | 33 | | | |
| Nipissing Mines Co. | | 200 | 6 | 6 | 5⅞ | 5⅞ | 5⅞ | 6 | | | |
| Oro | † | 1500 | 9 | 9 | 9 | 9 | 9 | 10 | | | |
| Pacific Smelters | | —— | —— | —— | —— | 1/8 | 1/16 | 1/8 | | | |
| Standard Silver-Lead | | 1100 | 1¾ | 1¾ | 1¾ | 1¾ | 1 15/16 | 1 15/16 | | | |
| Stewart | | —— | —— | —— | —— | 1⅛ | 1⅛ | 1 3/16 | | | |
| Tonopah Extension | | 275 | 2 7/16 | 2 7/16 | 2 7/16 | 2 7/16 | 2 7/16 | 2 15/32 | | | |
| Tonopah Merger | † | 5500 | 40 | 40 | 40 | 40 | 39 | 40 | | | |
| Tonopah-Mining | | —— | —— | —— | —— | 6⅞ | 6⅝ | 6⅞ | | | |
| Tri-Bullion | | —— | —— | —— | —— | 1/16 | 1/16 | 1/8 | | | |
| Tularosa | | —— | —— | —— | —— | 3/8 | ¼ | 3/8 | | | |
| Tuolumne Copper | | —— | —— | —— | —— | 3/8 | 35 | 45 | | | |
| West End Consolidated | | 3500 | 64 | 67 | 64 | 67 | 67 | 68 | | | |
| West End Extension | † | —— | —— | —— | —— | 3 | 2 | 3 | | | |
| Wettlaufer Silver Mines | † | —— | —— | —— | —— | 4 | 3 | 5 | | | |
| Yukon Gold Mines | | —— | —— | —— | —— | 2¼ | 2⅛ | 2¼ | | | |
| **BONDS** | | | | | | | | | | | |
| Braden Copper 6s | | —— | —— | —— | —— | 160 | 158 | 163 | | | |
| Braden Copper 7s | | —— | —— | —— | —— | 163 | 158 | 163 | | | |
| Canadian Copper Corp. deb. 6s | | —— | —— | —— | —— | 65 | —— | —— | | | |
| Canadian Pacific 6% Notes | | —— | —— | —— | —— | 103⅞ | 103⅞ | 104 | | | |
| Chesapeake & Ohio 5% Notes | | —— | —— | —— | —— | 95½ | 92 | 93 | | | |
| Chicago Elevated 5% Notes | | —— | —— | —— | —— | 99½ | 99 | 100 | | | |
| Chile Copper 7s | | —— | —— | —— | —— | 110½ | 107 | 110 | | | |
| Con. Gas Conv. 6s | | 1000 | 115½ | 115½ | 115½ | 115½ | 115⅜ | 115⅜ | | | |
| Cuban new 5s | | —— | —— | —— | —— | 98⅛ | 98 | 98⅜ | | | |
| Kelly Springfield Tire, 4s | | —— | —— | —— | —— | 75 | 75 | 80 | | | |
| N. Y. City, 4¼s, 1962 | | —— | —— | —— | —— | 102 | 101⅞ | 102⅛ | | | |
| N. Y. City 4¼s, 1960 | | —— | —— | —— | —— | 102⅛ | 101⅞ | 102⅛ | | | |
| New York City 4¼s, 1964 | | —— | —— | —— | —— | 102 | 101⅞ | 102⅛ | | | |
| Western Pacific 5s | | 2000 | 45 | 45 | 45 | 45 | 42 | 46 | | | |

†Sell cents per share. x Ex-Dividend. *Odd Lot. **Ex-Rights.

9900 9896 9896 9897

# L. V. COAL SALES CO. EX. NO. 11—(Continued).

## READY REFERENCE

### Weekly New York Curb Market Transactions

The transactions in the leading securities on the New York Curb Market for the week ended Saturday, July 3, 1914, with price changes for the week, are given in the following table:

### INDUSTRIALS

| Sales. | | High. | Low. | Last. | Adv. | Dec. |
|---|---|---|---|---|---|---|
| 600 | Brit.-Am. Tob | 21 3/8 | 21 | 21 3/8 | | 1/4 |
| 100 | Elkhorne Fuel | 25 1/4 | 25 1/4 | 25 1/4 | | |
| 211 | Kelly Springfield | 58 | 57 | 57 | | |
| 1300 | Marconi of Am | 3 1/4 | 2 7/8 | 3 | | 3/8 |
| 1050 | Maxwell Mot., com | 14 7/8 | 13 7/8 | 14 7/8 | 7/8 | |
| 2750 | Maxwell Mot. 1st pf | 43 | 40 7/8 | 43 | 3 1/2 | |
| 1025 | Maxwell Mot. 2d pf | 18 1/2 | 16 1/2 | 18 1/4 | 1 | |
| 460 | Puebla Smelt. & Reg | 2 1/4 | 2 1/4 | 2 1/4 | | |
| 18300 | Riker & Heg. Cor. new | 10 1/8 | 9 | 10 | 1 | |
| 2100 | Sterling Gum, w. i | 7 | 6 3/8 | 6 7/8 | 1/2 | |
| 175 | Stewart Speedometer | 51 | 49 | 51 | | 11 |
| 200 | Tob. Products, pf | 86 | 85 | 86 | 1 | |
| 2500 | Un. C. St. Co. of Am | 90 | 87 | 89 1/2 | 1 1/4 | |
| 32600 | Un. Profit Sh. Corp | 8 | 5 3/4 | 7 3/4 | 2 1/8 | |
| 2300 | Willys Overland | 90 | 81 1/4 | 89 3/4 | 8 1/2 | |
| 125 | Willys Overland, pf | 93 1/2 | 93 1/8 | 93 1/8 | | 1 3/8 |
| 1645 | World's Film | 4 7/8 | 4 1/2 | 4 3/4 | | |

### STANDARD OIL SUBSIDIARIES

| Sales. | | High. | Low. | Last | Adv. | Dec. |
|---|---|---|---|---|---|---|
| 1450 | Anglo-Am. Oil | 16 3/4 | 16 | 16 | | 3/8 |
| 82 | Atlantic Refining | 593 | 582 | 591 | 1 | |
| 33 | Buckeye Pipe Line | 139 | 138 1/2 | 138 | 2 | |
| 21 | Continental Oil | 222 | 220 | 222 | 2 | |
| 5 | Crescent Pipe Line | 48 | 48 | 48 | | 1 |
| 70 | Cumberland Pipe L | 56 | 54 | 58 | 1 | |
| 15 | Eureka Pipe Line | 266 | 265 | 265 | 2 | |
| 23 | Galena Signal Oil | 174 | 172 | 174 | 1 | |
| 97 | Indiana Pipe Line | 127 | 121 | 124 | 1 | |
| 95 | National Transit | 39 | 38 1/2 | 39 | | |
| 12 | N. Y. Transit | 270 | 269 | 270 | | |
| 10 | Northern Pipe Line | 107 | 107 | 107 | 2 3/4 | |
| 975 | Ohio Oil | 181 1/2 | 175 | 179 | 2 1/2 | |
| 50 | Pierce Oil | 78 | 75 | 75 | | 3 |
| 90 | Pierce Oil new | 19 | 18 1/2 | 19 | | |
| 195 | Prairie Oil & Gas | 437 | 430 | 435 | | |
| 113 | South Penn Oil | 289 | 283 | 286 | 10 | |
| 1 | Southern Pipe Line | 122 | 122 | 122 | 2 | |
| 5 | Southw. Penn P. L | 145 | 145 | 145 | 1 | |
| 905 | Standard Oil of Cal | 328 1/2 | 315 | 322 | 5 | |
| 244 | Standard Oil of Ind | 478 | 463 | 470 | 17 | |
| 48 | Stand. Oil of Kan | 410 | 405 | 406 | 3 | |
| 235 | Stand. Oil of N. J | 408 1/2 | 406 | 407 1/2 | 2 1/2 | |
| 600 | Stand. Oil of N. Y | 213 | 207 | 213 | 2 | |
| 47 | Union Tank | 87 | 85 | 86 | 2 | |
| 45 | Vacuum Oil | 222 | 220 | 220 | 3 | |
| 10 | Washington Oil | 46 1/2 | 46 1/2 | 46 1/2 | | 2 1/2 |

## L. V. COAL SALES CO. EX. NO. 11—(Continued).

### MISCELLANEOUS RIGHTS

| Sales. | | High. | Low. | Last. | Adv. | Dec. |
|---|---|---|---|---|---|---|
| 850 | Cons. Gas rights | 3¼ | 3⅛ | 3⅛ | ⅛ | ..... |
| 525 | Manhattan Transit | ⅞ | ¾ | ¾ | ..... | ..... |
| 24300 | Rock Island new | 38½ | 35½ | 37 | ..... | 1½ |

| Sales. | | High. | Low. | Last. | Adv. | Dec. |
|---|---|---|---|---|---|---|
| 800 | Rock Island pf. new | 86 | 84½ | 86 | ¼ | ..... |
| 9800 | Rock Island rights | 3¼ | 2⅝ | 2⅞ | ..... | ⅜ |
| 827 | Union Pacific rts | 29⅛ | 28⅜ | 29⅛ | ⅛ | ..... |

### MINING

| Sales. | | High. | Low. | Last. | Adv. | Dec. |
|---|---|---|---|---|---|---|
| 200 | Beaver Consolidated | † 30 | 24½ | 24½ | ..... | 6½ |
| 1600 | Boston Montana | 10 | 9¾ | 10 | ⅛ | ..... |
| 2100 | Braden Copper | 7¾ | 7½ | 7¾ | ⅛ | ..... |
| 400 | Buffalo Mines | ⅞ | ⅞ | ⅞ | ..... | ..... |
| 200 | Butte-New York | ⅝ | ⅝ | ⅝ | ..... | ..... |
| 1100 | Can. Cop. Corp., w. i. | 2¼ | 2 | 2¼ | ¼ | ..... |
| 18600 | Can. Gold Silver | † 9 | 7½ | 8 | ..... | 1 |
| 1125 | Caribou Cobalt | † 66 | 63 | 65 | ..... | 3 |
| 4700 | Consol. Ariz. Smelt | ½ | ½ | ½ | ..... | ..... |
| 700 | Crown Reserve | 1⅛ | 1⅛ | 1⅛ | ⅛ | ..... |
| 20100 | Ely Consol | † 7 | 5 | 6½ | 1½ | ..... |
| 200 | Goldfield Cons | 1⅞ | 1⅞ | 1⅞ | ⅛ | ..... |
| 70 | Greene-Cananea, new | 31 | 30 | 31 | 1 | ..... |
| 2800 | Inter Mines Dev. Co | † 30 | 26 | 30 | 3 | ..... |
| 10700 | Jumbo Extension | † 22 | 19 | 21 | ..... | 1 |
| 2250 | Kerr Lake | 5¼ | 5 | 5⅛ | ⅛ | ..... |
| 2500 | La Rose Consol | 1⅝ | 1⅜ | 1⅜ | ..... | ⅛ |
| 2575 | McKinley-Darragh | †170 | 65 | 67 | 1 | ..... |

| Sales. | | High. | Low. | Last. | Adv. | Dec. |
|---|---|---|---|---|---|---|
| 600 | Mines of Amer. | 3 | 2⅞ | 3 | ⅛ | ..... |
| 950 | Mut. Min. & Leas. pf. | 1⅞ | 1⅝ | 1⅞ | ¼ | ..... |
| 1700 | Nevada Hills | †34 | 33 | 34 | ..... | ..... |
| 500 | New Utah | ⅜ | ⅜ | ⅜ | ..... | ..... |
| 11600 | Oro | †9 | 8½ | 8½ | ..... | 1 |
| 1000 | Pacific Smelters | ⅛ | ⅛ | ⅛ | ..... | ..... |
| 1130 | Standard Silver-Lead | 1⅛ | 1¼ | 1¼ | ..... | ..... |
| 4100 | Stewart | 1⅛ | 1⅛ | 1⅛ | ..... | ..... |
| 30300 | Tonopah Merger | † 48 | 41 | 48 | 7 | ..... |
| 4100 | Tonopah Extension | 2⅝ | 2⅛ | 2⅞ | ½ | ..... |
| 300 | Tonopah M. of Nev | 6⅞ | 6⅞ | 6⅞ | ..... | ..... |
| 100 | Tularosa | ⅜ | ⅜ | ⅜ | ..... | ..... |
| 200 | Tri-Bullion | ⅛ | ⅛ | ⅛ | ..... | ⅛ |
| 25200 | West End Consol | † 72 | 62 | 68 | ..... | 7 |
| 10000 | West End Ex | † 3 | 2 | 3 | ..... | 1 |
| 700 | Yukon Gold Mines | 2⅜ | 2¼ | 2⅜ | ..... | ⅛ |

† Cents per share.

### BONDS

| Sales. | | High. | Low. | Last. | Adv. | Dec. |
|---|---|---|---|---|---|---|
| 5000 | Can. Pac. 6% Notes | 103⅞ | 103⅞ | 103⅞ | ..... | ⅛ |
| 23000 | Chile Copper 7s | 110½ | 107 | 110½ | ..... | ½ |
| 57000 | Con. Gas Conv. 6s | 115½ | 115 | 115½ | ⅛ | ..... |
| 5000 | N. Y. City 4¼s, 1962 | 102 | 102 | 102 | ⅛ | ..... |

| Sales. | | High. | Low. | Last. | Adv. | Dec. |
|---|---|---|---|---|---|---|
| 13000 | N. Y. City 4¼s, 1960 | 102⅛ | 101⅝ | 102⅛ | ⅛ | ..... |
| 5000 | N. Y. City 4¼s, 1964 | 102 | 102 | 102 | ..... | ..... |
| 10000 | Western Pacific 5s | 49½ | 47¾ | 47¾ | ..... | 4¼ |

9908 9907 9906 9905

9909 **L. V. COAL SALES CO. EXHIBIT NO. 12.**

A meeting of the Board of Directors of the Lehigh Valley Coal Sales Company was held on the 22nd day of March, 1912, at No. 90 West Street, New York City, at 10 o'clock, a. m., pursuant to a call by notice, duly mailed by the Secretary, fixing said time and place.

There were present: Messrs. J. W. Skeele, F. L. Hine, Paul Moore, H. G. Lloyd, T. W. Lamont and W. R.
9910 Evans, constituting a quorum of the Board.

The minutes of the meeting of February 28th, 1912, were read and approved.

The President reported that in accordance with the instructions of the Board of Directors, at its meeting held February 16th, 1912, the Secretary had caused to be made and filed in the office of the Secretary of the State of New Jersey, the reports of officers, directors, etc., required by Section No. 43 (as amended) of "An act Concerning Corporations (Revision of 1896)" of
9911 New Jersey, viz:

Certificate of Payment of Capital Stock,
First Annual Report to the State of New Jersey.

The President reported that steps had been taken to qualify the company to do business in those states wherein the company maintains offices or carries stocks of coal, viz: New York, Pennsylvania, Massachusetts, Rhode Island, Ohio, Michigan, Illinois, Wisconsin and Minnesota; and that the seal of the company had been affixed to such papers as were required therefor.

9912 Whereupon, upon motion duly seconded and by the affirmative vote of all present, it was

RESOLVED, That the action of the President and Secretary in qualifying this company to do business in the States of New York, Pennsylvania, Massachusetts, Rhode Island, Ohio, Michigan, Illinois, Wisconsin and Minnesota, be, and the same hereby is, approved.

Upon motion, duly seconded, and by the affirmative vote of all present, it was

RESOLVED, That the authority granted to M. F. Johnson, by resolution passed at the meeting of February 16th, 1912, to sign certificates of capital stock "For President," be, and the same hereby is, revoked. 9913

RESOLVED, further that W. R. Evans, be, and he hereby is, authorized in the absence of the President or Vice President, to sign certificates of the capital stock of this company, "W. R. Evans, For President."

Upon motion, the meeting adjourned.

G. N. WILSON,
Secretary. 9914

9915

9916

9917 # L. V. COAL SALES CO. EXHIBIT NO. 13.

CLASSIFICATION OF STOCK OWNED OTHER THAN BY INDIVIDUALS OR FIDUCIARIES.

JULY 9th, 1914.

—o—

9918

1. Bankers & Brokers.
2. Benevolent, Religious & Charitable Institutions.
3. Corporations, Partnerships, Companies, etc.
4. Insurance Companies.
5. Law Firms.
6. National and State Banks and Trust Companies.

RECAPITULATION

9919

| | Accounts | | Shares | |
|---|---|---|---|---|
| | Number | Per Cent. | Number | Per Cent. |
| 1. Bankers & Brokers | 125 | 3.49 | 29,200 | 19.35 |
| 2. Benevolent, Religious & Charitable Institutions | 22 | .61 | 544 | .36 |
| 3. Corporations, Partnerships, Companies, etc. | 28 | .78 | 1,983 | 1.31 |
| 4. Insurance Companies | 14 | .39 | 1,918 | 1.27 |
| 5. Law Firms | 2 | .06 | 118 | .08 |
| 6. National and State Banks and Trust Companies | 10 | .28 | 675 | .45 |
| 9920 Total | 201 | 5.61 | 34,438 | 22.82 |

## L. V. COAL SALES CO. EX. NO. 13—(Continued). 9921

### BANKERS AND BROKERS

| Name | Location | Shares | |
|---|---|---|---|
| Bache & Co., J. S. | New York, N. Y. | 21 | |
| Bachman & Co., H. F. | " " " | 1 | |
| Barney & Co., Chas. D. | " " " | 264 | |
| Barrett, Rodewald & Co. | " " " | 12 | |
| Baruch Brothers | " " " | 10 | |
| Baylis & Co. | " " " | 2 | |
| Beekman & Co., Wm. B. | " " " | 12 | 9922 |
| Bell & Co., Frank F. | Philadelphia, Pa. | 375 | |
| Benedict, Drysdale & Co. | New York, N. Y. | 376 | |
| Benedict & Co., L. L. | " " " | 12 | |
| Benjamin, Ferguson & McMurtry | " " " | 2,038 | |
| Bernhard, Scholle & Co. | " " " | 3 | |
| Bioren & Co. | Philadelphia, Pa | 10 | |
| Boissevain & Co. | New York, N. Y. | 50 | |
| Bond & Goodwin | Boston, Mass. | 5 | |
| Brown Brothers & Co. | Philadelphia, Pa. | 3 | |
| Brown & Co., Vernon C. | New York, N. Y. | 126 | |
| Carter, Wilder & Co. | " " " | 20 | |
| Chandler Bros. & Co. | Philadelphia, Pa. | 2 | |
| Clark, Dodge & Co. | New York, N. Y. | 2,238 | |
| Clews & Co., Henry | " " " | 1 | |
| Colgate & Co., Jas. B. | " " " | 25 | |
| Conyngham & Co. | Wilkes-Barre, Pa. | 2 | 9923 |
| Crawford, Patton & Cannon | New York, N. Y. | 125 | |
| Dannig & Co., Jerome J. | " " " | 25 | |
| DeHaven & Townsend | " " " | 96 | |
| Denny, Pomroy & Co. | New York, N. Y. | 345 | |
| Dick Bros. & Co. | " " " | 50 | |
| Dominick & Dominick | " " " | 951 | |
| Drexel & Co. | Philadelphia, Pa. | 1,202 | |
| Edey, Field & Sloan | New York, N. Y. | 14 | |
| Emory, Freed & Co. | Philadelphia, Pa. | 13 | |
| Estabrook & Co. | Boston, Mass. | 12 | |
| Evans, Stillman & Co. | New York, N. Y. | 263 | |
| Fahnestock & Co. | " " " | 520 | |
| Fearon & Co., Charles | Philadelphia, Pa. | 793 | |
| Feuchtwanger & Co. | New York, N. Y. | 70 | |
| Fiero & Co., R. H. | " " " | 3 | |
| Fleming & Co., Robert | London, England. | 322 | 9924 |
| Foster & Adams | New York, N. Y. | 37 | |
| Fox & Sons, Geo. S. | Philadelphia, Pa. | 9 | |
| Frost & Co., B. Y. | New York, N. Y. | 625 | |
| Glendinning & Co., Robert | Philadelphia, Pa. | 14 | |
| Goadby & Co., W. H. | New York, N. Y. | 62 | |
| Groesbeck & Co. | " " " | 10 | |
| Halle & Stieglitz | " " " | 25 | |
| Hallgarten & Co. | " " " | 28 | |
| Harris, Winthrop & Co. | " " " | 19 | |
| Hartshorne & Battelle | " " " | 50 | |
| Hayden, Stone & Co. | Boston, Mass. | 627 | |
| Head & Co., Charles | New York, N. Y. | 514 | |
| Hebden, Bog & Molineux | " " " | 175 | |
| Herrick, Berg & Co. | " " " | 402 | |

9925 **L. V. COAL SALES CO. EX. NO. 13—(Continued).**

| | Name | Location | Shares |
|---|---|---|---|
| | Hirsch, Lilienthal & Co. | New York, N. Y. | 16 |
| | Homans & Co. | " " " | 250 |
| | Hornblower & Weeks | " " " | 600 |
| | Hubbard Bros. & Co. | " " " | 13 |
| | Hudson & Co., C. J. | " " " | 144 |
| | Huhn & Sons, Geo. A. | Philadelphia, Pa. | 193 |
| | Hunt, Ellis & Co. | Boston, Mass. | 2 |
| | Hunt, Saltonstall & Co. | " " | 12 |
| | Jenks, Gwynne & Co. | New York, N. Y. | 15 |
| | Kean, Taylor & Co. | " " " | 2,100 |
| | Keech, Loew & Co. | " " " | 776 |
| 9926 | Kidder, Peabody & Co. | " " " | 6 |
| | Kurtz Brothers | Philadelphia, Pa. | 13 |
| | Laidlaw, E. J. | New York, N. Y. | 2 |
| | Laidlaw & Co. | " " " | 5 |
| | Lawrence & Co., Effingham | " " " | 3 |
| | Leask & Co. | " " " | 200 |
| | Lee, Higginson & Co. | Boston, Mass. | 75 |
| | Lockwood & Co., F. M. | New York, N. Y. | 38 |
| | Maitland, Coppell & Co. | " " " | 25 |
| | Mellor & Petry | Philadelphia, Pa. | 10 |
| | Mestre & Co., Alfred | New York, N. Y. | 250 |
| | Moore & Co., D. T. | " " " | 1 |
| | Moore & Co., F. P. | " " " | 12 |
| | Moore & Schley | " " " | 6,255 |
| | Morgan & Co., J. P. | " " " | 125 |
| | Morgan, Livermore & Co. | " " " | 126 |
| 9927 | Morgan & Co., Reed A. | Philadelphia, Pa. | 257 |
| | Moseley & Co., F. S. | Boston, Mass. | 310 |
| | Muller & Nash | New York, N. Y. | 14 |
| | Muller, Schall & Co. | " " " | 9 |
| | Newborg & Co. | " " " | 103 |
| | Newburger, Henderson & Loeb | Philadelphia, Pa. | 215 |
| | Orvis Brothers & Co. | New York, N. Y. | 13 |
| | Otis & Co. | Cleveland, O. | 12 |
| | Paine, Webber & Co. | Boston, Mass. | 5 |
| | Parkinson & Burr | New York, N. Y. | 127 |
| | Pearl & Company | " " " | 2 |
| | Penington, Colket & Co. | Philadelphia, Pa. | 313 |
| | Popper & Sternbach | New York, N. Y. | 2 |
| | Post & Flagg | " " " | 174 |
| | Potter, Choate & Prentice | " " " | 200 |
| | Powell & Co. | Philadelphia, Pa. | 6 |
| 9928 | Prince & Co., L. M. | New York, N. Y. | 1 |
| | Prince & Whitely | " " " | 85 |
| | Randolph, E. & C. | " " " | 117 |
| | Raymond, Pynchon & Co. | " " " | 147 |
| | Raymond, Starr & Co. | " " " | 50 |
| | Redmond & Co. | " " " | 50 |
| | Ross & Co., Walter L. | Philadelphia, Pa. | 25 |
| | Schuyler, Chadwick & Burnham | New York, N. Y. | 75 |
| | Sheldon & Co., Wm. C. | " " " | 25 |
| | Sinkler Bros. | Philadelphia, Pa. | 1 |
| | Smith & Co., Edward B. | New York, N. Y. | 480 |
| | Smith, Jr. & Co., William Hastie | Philadelphia, Pa. | 9 |
| | Sonn Bros. | New York, N. Y. | 25 |
| | Strong, Sturgis & Co. | " " " | 213 |
| | Sutro Brothers & Co. | " " " | 155 |

## L. V. COAL SALES CO. EX. NO. 13—(Continued). 9929

| Name | Location | Shares | |
|---|---|---|---|
| Taylor, Smith & Hard | New York, N. Y. | 63 | |
| Thompson, Towle & Co. | " " " | 663 | |
| Tower & Fleetwood | " " " | 30 | |
| Turnure & Co., Lawrence | " " " | 514 | |
| Van Antwerp, Bishop & Co. | " " " | 5 | |
| Walker & Sons, Joseph | " " " | 45 | |
| Wardwell & Adams | " " " | 25 | |
| Watson & Co., T. L. | " " " | 280 | |
| Weld, Gove & Co. | Boston, Mass. | 30 | |
| Welles & Co., C. E. | New York, N. Y. | 25 | |
| Whelen & Co., Townsend | Philadelphia, Pa. | 17 | |
| Winthrop & Co., Robert | New York, N. Y. | 10 | 9930 |
| Wood, Struthers & Co. | " " " | 3 | |
| Wurts, Dallas & Co. | Philadelphia, Pa. | 25 | |
| | Total | 29,200 | |

BENEVOLENT, RELIGIOUS & CHARITABLE INSTITUTIONS

| Name | Location | Shares | |
|---|---|---|---|
| Abbey of Gethsemani, The | Trappist, Ky. | 2 | |
| Aged Womens Home of Montgomery County in the State of Penna. | Norristown, Pa. | 7 | |
| Cranston Street Baptist Society | Providence, R. I. | 13 | 9931 |
| Elders and Deacons of St. John's Reformed Church of Williams Township | Easton, Pa. | 5 | |
| First Presbyterian Church of Mauch Chunk | Mauch Chunk, Pa. | 28 | |
| Litchfield County Hospital of Winchester, The | Winsted, Conn. | 1 | |
| Methodist Episcopal Home for the Aged of Philadelphia | Philadelphia, Pa. | 10 | |
| New Church Book Association of Philadelphia | " " | 1 | |
| New Jersey Baptist Convention | Newark, N. J. | 5 | |
| Pennsylvania Industrial Home for Blind Women | Philadelphia, Pa. | 5 | |
| Philadelphia Quarterly Meeting's Boarding Home for Friends | " " | 3 | |
| Rector, Church Wardens and Vestrymen of St. Marks Church of Mauch Chunk, Pa. | | | 9932 |
| | Mauch Chunk, Pa. | 188 | |
| Rhode Island Historical Society | Providence, R. I. | 4 | |
| Roman Catholic Society of St. Joseph for Educating and Maintaining Poor Orphan Children, The | Philadelphia, Pa. | 25 | |
| St. Margaret's House of St. Luke's Church, Germantown | " " | 8 | |
| Societe Anonyme des Papeteries Darblay | Paris, France. | 50 | |
| Trustees of Carbon Lodge —242 A. Y. M. | Mauch Chunk, Pa. | 13 | |
| Trustees of Philadelphia Yearly Meeting of Friends | Philadelphia, Pa. | 71 | |

9933 **L. V. COAL SALES CO. EX. NO. 13—(Continued).**

| | Name | Location | Shares |
|---|---|---|---|
| | Trustees of St. John's Reformed Church, Williams Township, Northampton, Pa. | Easton, Pa. | 2 |
| | Trustees of the University of Pennsylvania, The | Philadelphia, Pa. | 3 |
| | Vassar College | Poughkeepsie, N. Y. | 81 |
| | Young Men's Christian Association of Mauch Chunk, Pa. | Mauch Chunk, Pa. | 10 |
| | | TOTAL: | 544 |

9934

CORPORATIONS, PARTNERSHIPS, COMPANIES, ETC.

| | Name | Location | Shares |
|---|---|---|---|
| | Alden Coal Company | Alden, Pa. | 18 |
| | Allen & Co., William L. | New York, N. Y. | 5 |
| | American Surety Co. of N. Y. | " " " | 625 |
| | Anchor Company, The | Pawtucket, R. I. | 50 |
| | Camden, Atlantic & Ventnor Land Co. | Atlantic City, N. J. | 25 |
| | Constance Bros. | Cape Vincent, N. Y. | 6 |
| | Constance & Co., Fred J. | " " | 1 |
| | Dowd & Co., J. C. | New York, N. Y. | 250 |
| | Earles & King, Ltd. | Liverpool, Eng. | 25 |
| | Hanscom Bros. Incorporated | Philadelphia, Pa. | 1 |
| 9935 | Hoseltine, Powell & Co | London, Eng. | 125 |
| | Hill Estate Incorporated, The | New Haven, Conn. | 25 |
| | Holbrook Brothers | New York, N. Y. | 18 |
| | Hyzer & Lewellen | Philadelphia, Pa. | 13 |
| | Irvine, T. & T. G. | Liverpool, Eng. | 7 |
| | Laurie, Milbank & Co. | London, Eng. | 1 |
| | Leon Brothers | London, Eng. | 1 |
| | Ligget & Co., Robert | Philadelphia, Pa. | 12 |
| | McCahan Sugar Refining Co., The W. J. | " " | 250 |
| | Mayer Realty Co. | New Orleans, La. | 18 |
| | Melville Securities Co. | New York, N. Y. | 600 |
| | Nutley Realty Co. | " " " | 2 |
| | Pardee & Co., A. | Philadelphia, Pa. | 2 |
| | Sterling Salt Co. | New York, N. Y. | 50 |
| | Tower & Underwood | Boston, Mass. | 10 |
| | Van Beukerk & Son, Geo. W. | New York, N. Y. | 5 |
| 9936 | Williams, de Broe & Co. | London, Eng. | 10 |
| | Workman, J. & R. | Belfast, Ireland. | 28 |
| | | TOTAL | 1,993 |

INSURANCE COMPANIES

| Name | Location | Shares |
|---|---|---|
| City of New York Insurance Co. | New York, N. Y. | 250 |
| Continental Insurance Co., The | " " " | 625 |
| Fidelity & Casualty Co. of N. Y., The | " " " | 563 |
| German Alliance Insurance Co. | " " " | 25 |
| German American Insurance Co. | " " " | 125 |

## L. V. COAL SALES CO. EX. NO. 13—(Continued). 9937

| Name | Location | Shares |
|---|---|---|
| Madison Insurance Co., The | Madison, Ind. | 12 |
| New Amsterdam Casualty Co. | New York, N. Y. | 25 |
| Norristown Insurance & Water Co. | Norristown, Pa. | 2 |
| Northern Insurance Co. of New York | New York, N. Y. | 175 |
| North River Insurance Co., The | " " " | 25 |
| Platt, Yungman & Co. | Philadelphia, Pa. | 19 |
| Providence Washington Insurance Co. | Providence, R. I. | 25 |
| Underwriters' Fire Insurance Co. | Concord, N. H. | 22 |
| United States Fire Insurance Co. | New York, N. Y. | 25 |
| | Total | 1,918 |

9938

### LAW FIRMS

| Name | Location | Shares |
|---|---|---|
| Gould & Wilkie | New York, N. Y. | 56 |
| Lachman & Goldsmith | " " " | 62 |
| | Total | 118 |

### NATIONAL AND STATE BANKS AND TRUST COMPANIES

| Name | Location | Shares | 9939 |
|---|---|---|---|
| Amoskeag Savings Bank | Manchester, N. H. | 50 | |
| Brooklyn Trust Company | Brooklyn, N. Y. | 250 | |
| | | 200 sold 7-10-14. | |
| Farmers National Bank of Pennsburg, Penna. | Pennsburg, Pa. | 15 | |
| Fidelity Trust Company | Newark, N. J. | 18 | |
| Lyndonville National Bank, The | Lyndonville, Vt. | 10 | |
| Miners Savings Bank | Pittston, Pa. | 200 | |
| Northwestern Trust Co. | Philadelphia, Pa. | 25 | |
| Southport Trust Co., The | Southport, Conn. | 25 | |
| Union Trust Co. of New York | New York, N. Y. | 62 | |
| United States Trust Co., New York, The | " " " | 20 | 9940 |
| | Total | 675 | |

9941

# L. V. COAL SALES CO. EXHIBIT NO. 14.

LEHIGH VALLEY COAL SALES COMPANY

SUNDRY LARGE STOCKHOLDERS

June 20, 1914.

| | | | | L.V.R.R. 3-28-14. |
|---|---|---|---|---|
| | Baker, George F. | New York | 3,375 | 22,500 |
| | Benjamin, Ferguson & McMurtry, | " " | 2,038 | 13,800 |
| | Brown, Harvey T. | " " | 1,250 | 7,100 |
| | Clark, Dodge & Co., | " " | 2,238 | 1,100 |
| | Converse, Edmund C. | " " | 1,258 | 3,000 |
| 9942 | Drexel & Company | Philadelphia | 1,202 | Pfd....133<br>Com 2,350 |
| | Duke, Benjamin N. | New York | 3,125 | None |
| | Kean, Taylor & Co. | " " | 2,100 | None |
| | King, Howard T. | " " | 2,733 | None |
| | Kitchen, James G. | Philadelphia. | 1,035 | 8,450 |
| | Lewis, John H. | New York | 2,500 | 6,010 |
| | Moore, Ada Small | " " | 2,500 | 7,450 |
| | Moore & Schley, | " " | 6,267 | 25,050 |
| | Moore, William H. | " " | 6,250 | 40,000 |
| | Palmer, George W. H. | " " | 1,375 | 8,200 |
| | Reid, Daniel G. | " " | 5,000 | 40,000 |
| | Searles, Stephen L. | " " | 1,580 | 15,850 |
| | Smith, Charles D. | " " | 3,443 | 650 |
| 9943 | Stotesbury, Edward T. | Philadelphia | 1,104 | Pfd.....81<br>Com 10,000 |
| | Wallach, M. S. | New York | 1,000 | 5,489 |
| | Walsh, Cornelius J. | " " | 2,838 | 230 |

9944

# L. V. COAL SALES CO. EXHIBIT NO. 15.

LEHIGH VALLEY COAL SALES COMPANY

COMPARATIVE STATEMENT SHOWING CHANGES IN ACCOUNTS OF SUNDRY STOCKHOLDERS, FROM ORGANIZATION OF COMPANY TO APRIL 22, 1914. 9945

| Name and Address | Held at organization. | Allotted as per subn. 1-17-14. | Since bought or sold. | April 22, 1914 | |
|---|---|---|---|---|---|
| American Surety Co. of N. Y., 100 Broadway, N. Y. | 200 | 125 | 300 | 625 | |
| Baker, George F. 2 Wall Street. | 2,000 | 675 | 700 | 3,375 | |
| Barney, Chas. D. & Co. 25 Broad St. | 2,855 | 78 | sold 2,669 | 264 | |
| Batchelder, George L. Boston, Mass. | ..... | ..... | 100 | 100 | |
| Bell, Frank F. & Co. Phila. Pa. | 2 | 75 | 298 | 375 | |
| Benedict, Drysdale & Co. 7 Wall St. | 50 | 75 | 250 | 375 | 9946 |
| Benjamin, Ferguson & McMurtry, 61 Broadway, N. Y. | 961 | 395 | 682 | 2,038 | |
| Bliss, Cornelius N. 117 Duane St. | ..... | 62 | 390 | 452 | |
| Breese, James L. 38 E. 23rd. St. | ..... | 50 | 200 | 250 | |
| Brown, Vernon C. & Co. 80 B'way. | 411 | 27 | sold 312 | 126 | |
| City of New York Insurance Co., Maiden Lane & William St. | 40 | 50 | 160 | 250 | |
| Clark, Dodge & Co., 51 Wall St. | 480 | 485 | sold 1273 | 2,238 | |
| Cochran, Thomas, Jr. % Astor Trust Co., 389—5th Ave. | ..... | 125 | 519 | 644 | |
| Continental Insurance Co. The, 80 Maiden Lane, N. Y. | 1,000 | 125 | sold 500 | 625 | |
| Converse, Edmund C. 14 Wall St. | 200 | 251 | 807 | 1,258 | 9947 |
| Corliss, Charles A. 131 Hudson St. | ..... | 50 | 200 | 250 | |
| Dominick & Dominick, 115 B'way. | 15 | 161 | 725 | 901 | |
| Dowd, J. C. & Co. 95 Madison Ave. | ..... | 50 | 200 | 250 | |
| Drexel, Alice T. Phila., Pa. | 20 | 25 | 105 | 150 | |
| Drexel & Co. Phila., Pa. | 3,657 | 230 | sold 2,685 | 1,202 | |
| Duke, Benjamin N. 200 5th Ave. | ..... | 625 | 2,500 | 3,125 | |
| Eastman, Joseph, 71 B'way, N. Y. | ..... | 78 | 314 | 392 | |
| Fahnestock & Co., 2 Wall St., N. Y. | 22 | 110 | 388 | 520 | |
| Frost, B. Y. & Co., 80 Broadway, N. Y. | ..... | 125 | 500 | 625 | |
| Fryer, Robert L. Buffalo, N. Y. | ..... | 75 | 300 | 375 | |
| Furman, Theodore B. 140 B'way. | ..... | ..... | 200 | 200 | |
| Gammell, William, Providence, R. I. | ..... | ..... | 100 | 100 | |
| Gifford, William H. E. Syracuse, N. Y. | 45 | 25 | 105 | 175 | |
| Hallowell, Penrose, Dec'd, Meadowbrook, Penna. | 10 | 2 | 90 | 102 | 9948 |
| Halsey, Charles D. 15 Broad St. | ..... | 50 | 200 | 250 | |
| Hancy, Edward J. 40 Wall St. | ..... | 50 | 200 | 250 | |
| Harvey, R. Wistar. Phila., Penna. | 5 | 43 | 170 | 218 | |
| Head, Charles & Co. 14 Wall St. | 1,191 | 121 | sold 729 | 583 | |
| Hill, Charles W. 140 B'way. | 260 | 115 | 200 | 575 | |
| Hirsh, Jacob. 47 Cedar St. | ..... | 75 | 125 | 200 | |
| Hodenpyl, Anton G. 14 Wall St. | ..... | 50 | 200 | 250 | |
| Hollingsworth, Pemberton. Phila. Pa. | 100 | ..... | 100 | 200 | |
| Hornblower & Weeks, 42 B'way. | 87 | 68 | 245 | 400 | |
| Howe, Mary W. F. Phila. Pa., | ..... | 62 | 251 | 313 | |
| Hubbard, H. Malcolm London, Eng. | ..... | 4 | 96 | 100 | |
| Kean, Taylor & Co. 30 Pine St. | ..... | 420 | 1,680 | 2,100 | |
| Keech, Loew & Co. 7 Wall St | 1,021 | 155 | sold 400 | 776 | |
| King, Howard T. 83 Cedar St. | ..... | 587 | 2,096 | 2,683 | |

## L. V. COAL SALES CO. EX. NO. 15—(Continued).

| | Name and Address | Held at organization. | Allotted as per subn. 1-17-14. | Since bought or sold | p il 22, 1914. |
|---|---|---|---|---|---|
| 9949 | Knowlton, Eben J. 564 B'way | 60 | 100 | 340 | 500 |
| | Lewis, John H. 16 Wall St. | 500 | 500 | 1,500 | 2,500 |
| | Logan, Hiram H. Boston, Mass. | ..... | 25 | 100 | 125 |
| | Look, Mariana T. R. Greenwich, Ct. | 5 | 25 | 95 | 125 |
| | Lowery, Emily Gale. Utica, N. Y. | 47 | 30 | 134 | 211 |
| | Lowitz, Robert M. 24 Pine St. | 723 | 53 | sold 591 | 185 |
| | Melville Securities Co. 747 5th Ave. | ..... | 80 | 320 | 400 |
| | Mestre, Alfred & Co. 42 B'way. | 50 | 50 | 150 | 250 |
| | Meyer, Maurice, Paterson, N. J. | 75 | 18 | 407 | 500 |
| | Miller, Martha L. R. 811 Madison Ave. | ..... | 25 | 100 | 125 |
| 9950 | Miners Savings Bank, Pittston, Pa. | 20 | 5 | 175 | 200 |
| | Moore, Ada Small 14 Wall St. | 745 | 500 | 1,255 | 2,500 |
| | Moore & Schley, 80 B'way. | 1,600 | 1,227 | 3,440 | 6,267 |
| | Moore, William H. 14 Wall St. | 4,000 | 1,250 | 1,000 | 6,250 |
| | Morgan, Reed A. & Co. Phila. Pa. | 32 | 51 | 173 | 256 |
| | Parkinson & Burr, 7 Wall St. | 2 | 25 | 100 | 127 |
| | Parmelee, Henry H. Paterson, N. J. | ..... | 25 | 100 | 125 |
| | Payne, William T. Kingston, Pa. | ..... | 50 | 200 | 250 |
| | Penington, Colket & Co. Phila. Pa. | 419 | 65 | sold 171 | 313 |
| | Potter, Choate & Prentice, 55 Wall St. | 348 | 35 | sold 183 | 200 |
| | Ramsdell, Charles M. Buffalo, N. Y. | ..... | 30 | 120 | 150 |
| | Ramsdell, Harry T. " " | ..... | 75 | 300 | 375 |
| | Randolph, E & C, 111 B'way. | 293 | 23 | sold 199 | 117 |
| 9951 | Raymond, Pynchon & Co. 111 B'way. | 7 | 9 | 131 | 147 |
| | Reed, Charles A. Plainfield, N. J. | ..... | 50 | 200 | 250 |
| | Reid, Margaret C. 875 Fifth Ave. | 1 | ..... | 100 | 101 |
| | Roebling, Washington A. Trenton, N. J. | 300 | 125 | 200 | 625 |
| | Rogers, George W. 29 B'way. | ..... | 25 | 100 | 125 |
| | Sayles, Frank A. Pawtucket, R. I. | ..... | 40 | 160 | 200 |
| | Schuyler, Sidney S. 100 B'way | ..... | 25 | 100 | 125 |
| | Smith, Charles D. 83 Cedar St. | 215 | 698 | 2,530 | 3,443 |
| | Smith, Edward B. & Co. 27 Pine St. | 1,508 | 103 | sold 1,127 | 484 |
| | Smith, George A. Phila. Pa. | 600 | 150 | sold 600 | 150 |
| | Sutro Brothers & Co. 44 Pine St. | 30 | 25 | 100 | 155 |
| | Taylor, Henry A. C. 30 Pine St. | 30 | 37 | 120 | 187 |
| 9952 | Thompson, J. Walter, 44 E. 23rd St. | 60 | 62 | 191 | 313 |
| | Thompson, Towle & Co. 14 Wall St. | ..... | 125 | 688 | 813 |
| | Topping, Rhea Reid, Greenwich, Ct. | ..... | ..... | 775 | 775 |
| | Tukey, George H. Ridgefield Park, N. J. | ..... | 125 | 500 | 625 |
| | Van Antwerp, Bishop & Co. 15 Broad Street. | 260 | 31 | sold 130 | 161 |
| | Walsh, Cornelius J. 15 Broad St. | 20 | 66 | 2,751 | 2,837 |
| | Waterbury, John I. 14 Wall St. | ..... | 125 | 500 | 625 |
| | Watson, T. L. & Co. 55 B'way | ..... | 50 | 210 | 260 |
| | Whaley, George H. Jr. 75 Hudson St. | ..... | 45 | 180 | 225 |
| | Wheeler, Frederick S. 447 W. 14th St. | ..... | 125 | 500 | 625 |
| | Wiggin, Charles B. Boston, Mass. | ..... | 53 | 274 | 327 |
| | Wiley, W. G. & Co. 40 Exchange Pl. | 337 | 50 | sold 137 | 250 |
| | Winthrop, Kate W. Lenox, Mass. | ..... | 30 | 120 | 150 |

## L. V. COAL SALES CO. EXHIBIT NO. 16. 9953

LEHIGH VALLEY COAL SALES COMPANY

90 West Street
New York City

November 17th, 1913.

Notice to Stockholders.

The Board of Directors of the Lehigh Valley Coal Sales Company, at a meeting held November 12th, 1913, authorized an appropriation out of the accumulated surplus of the Company and the distribution of the same as a dividend on January 17, 1914, pro rata to the full share stockholders of the Lehigh Valley Coal Sales Company as recorded on the books of the Company at three o'clock, p. m., this day; such distribution being equivalent to twenty-five per cent. of the par value of the outstanding full-share capital stock of the Company. 9954

The Board has further authorized the issue of such number of shares of the authorized unissued capital stock of the Company as shall equal, at par, twenty-five per cent. of the number of full shares of the Company's stock that are outstanding at three o'clock, p. m., November 17, 1913; and the privilege of subscribing to such new stock is given to the full-share stockholders of record in an amount equivalent to twenty-five per cent. of their holdings at three o'clock, p. m., November 17, 1913. 9955

The privilege to subscribe must be exercised at or before three o'clock, p. m., January 14, 1914.

Stockholders who avail themselves of this privilege must subscribe for the *whole* of their allotment, as a subscription for a portion of the allotment will not be considered. 9956

Certificates will be issued for fractional shares in cases where the allotment calls therefor. Such fractional certificates, or scrip, will not entitle the holders to participate in the distribution of any subsequent dividends that may be declared by the Lehigh Valley Coal Sales Company, nor to receive any interest, and will carry no voting power, but may, when presented at the office of the

9957 Company, with similar certificates aggregating an even share or shares, be converted into full share certificates.

Fractions desired to complete full shares, or fractions which the holders desire to dispose of, will not be sold or purchased by the Company.

Fractional certificates, or scrip, will be registered in the name of the subscriber, and will be transferable on the books of the Company by the holder in person or by attorney.

In order to insure a full subscription to the additional
9958 issue of capital stock, and the payment thereof, all shares or fractions of shares not subscribed for by three o'clock, p. m., January 14, 1914, and paid for by three o'clock, p. m., January 17, 1914, will be sold by the Company, at the discretion of the Board of Directors, at public auction.

Enclosed herewith is a blank power of attorney, to be duly executed by those stockholders who desire to subscribe to the capital stock aforesaid.

This power of attorney, when duly executed:

9959 (1) Will authorize the attorney to subscribe, on behalf of the stockholder, to the capital stock of the Lehigh Valley Coal Sales Company in the amount to which the stockholder is entitled.

(2) Will authorize the attorney to receive the dividend due the subscriber which is payable January 17, 1914, and to give receipt therefor.

(3) Will authorize the attorney to use the said dividend for the purpose of paying the subscription to the capital stock of the Lehigh Valley Coal Sales Company.

9960

This power of attorney, when duly executed and deposited by the subscriber with the attorney at or before three o'clock, p. m., January 14, 1914, or mailed so that it reaches the attorney prior to the time stated, will be a proper exercise of the privilege of subscription; and to facilitate the prompt return of the power of attorney, a stamped and addressed envelope is enclosed herewith.

*Stockholders thus subscribing to the stock are particularly requested to state their address in the place provided for that purpose on the power of attorney.*

Certificates of stock, and scrip representing fractional 9961
shares, will be delivered as soon after January 17, 1914, as they can be prepared.

Such stockholders as do not execute and deliver the power of attorney above referred to or otherwise subscribe for shares at or before three o'clock, p. m., January 14, 1914, and pay for the same at or before three o'clock, p. m., January 17, 1914, will receive from the Company a check in payment of the dividend.

This notice has, in substance, been advertised in the daily press. Every stockholder who does not receive the 9962
power of attorney mentioned may obtain the same from the undersigned at the office of the Company, No. 90 West Street, New York; and the failure of stockholders to obtain the said powers of attorney shall be no excuse for their not demanding and obtaining them because of alleged reliance upon the offer of the Company to mail the same.

G. N. WILSON,
*President.*

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**L. V. COAL SALES CO. EXHIBIT NO. 17.** 9963

OUTSIDE SECURITIES DEPARTMENT

CHAS. H. JONES & Co.

Investment Bankers

20 Broad Street

New York, November 15th, 1913.

To the Stockholders,

The Lehigh Valley Coal Sales Company: 9964

Notice has been published that a 25% cash dividend has been authorized by your Directors payable to stockholders of record of November 17th, 1913, and the option is given of taking stock of the Company at par to the value of the cash the holder would receive. In other words a person who, on November 17th, owns one hundred shares can elect to take $2,500 in cash or 25 shares of stock without cost. It is stated that those who do not express their preference will be mailed checks on January 17th, 1914.

9965 As the stock of your Company is now selling at about $230 per share, it should sell at about $180 with the increased capitalization, so there is a decided advantage in taking stock rather than money. This is true even for those who have use for the funds or who do not wish to increase their holdings in this Company. The benefit can be gained by selling 25% of the stock held on November 17th, realizing the full market price at once, and receiving the same amount of stock back from the Company without cost. The advantage to the holder of one hundred shares is approximately $2,000.

9966 We are prepared to deal in the full and fractional shares of the Lehigh Valley Coal Sales Co. and invite inquiries on all other unlisted securities. Our statistical department is at the service of investors.

CHAS. H. JONES & Co.

Telephone 9140 Rector

.....

CHAS. H. JONES & Co.
20 Broad Street
New York City

9967 Date.....

You may buy / sell for my account.....shares of the Lehigh Valley Coal Sales Co. to net me $..... per share, good until cancelled.

Name.....
Street & No.....
City.....

9968

# L. V. COAL SALES CO. EXHIBIT NO. 18.

## COMPARISONS.

As of March 28, 1914, there were in the L. V. R. R. Co.:

| | | | | |
|---|---|---|---|---|
| | 7201 | stockholders, holding | 1,210,034 | shs. common stock, |
| and | 77 | " " | 2,126 | " preferred stock, |
| A total of | 7278 | " " | 1,212,156 | " stock. |

| | | | | |
|---|---|---|---|---|
| Of this number | 4179 | stockholders, holding | 341,354 | shs. common stock, |
| and | 47 | " " | 983 | " preferred stock, |
| A total of | 4226 | " " | 342,237 | " stock, |

or 58.065%

of Lehigh Valley Railroad Company stockholders, did *not* hold any stock of the Lehigh Valley Coal Sales Company, as listed in the attached statement.

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As of April 9, 1914, there were in the Lehigh Valley Coal Sales Company,

| | | | | |
|---|---|---|---|---|
| | 3582 | stockholders, holding | 150,850 | shares, |
| of which | 3052 | " " | 122,057 | " hold L. V. R. R. Co. Stock |
| Thus, | 530 | " " | 28,793 | " |

or 14.799%

of Lehigh Valley Coal Sales Company stockholders, did *not* hold any stock of the Lehigh Valley Railroad Company, as listed in the attached statement.

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| | | | | | |
|---|---|---|---|---|---|
| Thus of the | 7278 | L. V. R. R. Co. stockholders, holding | 1,212,156 | shares, | |
| | 4226 | " " " | 342,237 | " | did *not* hold L. V. C. S. Co. stock, |
| Thus | 3052 | " " " | 869,919 | " | are the |

same stockholders of the Lehigh Valley Coal Sales Company, holding 122,057 shares of the stock of that Company.

9973

# L. V. COAL SALES CO. EXHIBIT NO. 19.

New stockholders of the LEHIGH VALLEY COAL SALES COMPANY, as of OCTOBER 10, 1912, who did NOT participate in the original stock allotment as of FEBRUARY 26, 1912, numbered ..... 300

Percentage of Stockholders on Record (3709) Oct. 10, 1912 8-09/100%

New stockholders of the LEHIGH VALLEY COAL SALES COMPANY, as of **October 10, 1912, 591 Stockholders=16,567 shares,** who are NOT shown on the dividend list of the LEHIGH VALLEY RAILROAD COMPANY as of MARCH 28, 1914, numbered ..... 591

Percentage of Stockholders on Record (3709) Oct. 10, 1912 15-93/100%

9974 New stockholders of the LEHIGH VALLEY COAL SALES COMPANY, as of **July 9, 1914, 534 Stockholders=28,167 shares,** who are NOT shown on the dividend list of the LEHIGH VALLEY RAILROAD COMPANY as of MARCH 28, 1914, numbered ..... 534

Percentage of Stockholders on Record (3580) July 9, 1914 14-91/100%

New stockholders of the LEHIGH VALLEY COAL SALES COMPANY who appear on both OCTOBER 10, 1912, and JULY 9, 1914, but who are NOT shown on the dividend list of the LEHIGH VALLEY RAILROAD COMPANY as of MARCH 28, 1914, numbered ..... *286

Percentages

New Stockholders (591) (534) } Oct. 10, 1912 [illegible] July 9, 1914. [illegible]

Stockholders on Record (3709) (3580) } Oct. 10, 1912. [illegible] July 9, 1914. [illegible]

*NOTE:—The figure of 286 stockholders, shown in last paragraph, represents stockholders of Sales Company (who are not stockholders of L. V. R. R., as per dividend list of March 28th, 1914) and who are stockholders of Sales Company at both its first and last dividends. This figure of 286 stockholders represents a percentage of 48.39% of the new stockholders (591) on Sales
9975 Company's dividend list of October 10th, 1912, and a percentage of 53.56% of new stockholders (534) on Sales Company's dividend list of July 9th, 1914. These 286 stockholders, whose names appear on both the first and last Sales Company's dividend lists, represent 7.71% of stockholders (3709) on dividend list of October 10th, 1912, and 7.99% of stockholders (3580) on dividend list of July 9th, 1914.)

9976

# L. V. COAL SALES CO. EXHIBIT NO. 20. 9977

ACCOUNTS PURCHASED FROM THE LEHIGH VALLEY COAL COMPANY.

March 1st, 1912.

| | | | |
|---|---|---|---|
| Anthracite Coal Stocks, | | | $1,852,869.68 |
| General Sales Agency, New York, | $ 137,251.98 | | |
| New York " " | 2,267,612.91 | | |
| Jersey City " " | 38,584.05 | | |
| Newark, " " | 134,319.65 | | 9978 |
| Philadelphia " " | 315,613.68 | | |
| Erie, " " | 310,791.42 | | |
| Syracuse, " " | 335,011.22 | | |
| Buffalo " " | 1,123,666.61 | | |
| Chicago " " | 806,540.91 | | |
| Milwaukee " " | 267,325.09 | | |
| Minneapolis " " | 611,800.86 | | |
| | | 6,348,518.38 | |
| Advance Insurance, Coal Properties, Storage Plants | $ 1,953.01 | | |
| " " " Stocks, | 1,664.54 | | |
| " " " Eastern Cargoes, | 1,461.90 | 5,079.45 | |
| | | $8,206,467.51 | 9979 |
| Jeddo & Highland Freight, | $ 53,313.90 | | |
| Advances to Salesmen, | 1,033.13 | | |
| Working Fund, Retail Yards, | 175.00 | | |
| Bituminous Coal in Stock, | 21,546.71 | | |
| | $ 76,068.74 | | |
| LESS THE FOLLOWING LIABILITIES: | | | |
| Lehigh & W-B Coal Co., Exchange Acct., | $70,013.83 | | |
| Unpaid Freight Account, | 7,302.25 | | |
| Freight Suspense, | 809.54 | | 9980 |
| Suspense Claims, | 161.77 | 78,287.39 | 2,218.65 |
| TOTAL, | | | $8,204,248.86 |

Accounting Department,

NEW YORK, July 28th, 1914.

9981 **L. V. COAL SALES CO. EX. NO. 20—(Continued).**

ACCOUNTS PURCHASED FROM THE LEHIGH VALLEY COAL COMPANY.

March 1st, 1912.

| | | |
|---|---|---|
| Anthracite Coal Stocks, | $1,852,969.68 | |
| Sales Agency Account, | 6,348,518.28 | |
| Insurance Premiums Advanced, | 5,079.45 | |
| | | $8,206,567.51 |

PAID FOR AS FOLLOWS:

9982

| | | | | | |
|---|---|---|---|---|---|
| March, | 1912, | Voucher | 14, | $7,000,000.00 | |
| " | " | " | 45, | 500,000.00 | |
| " | " | " | 53, | 1,953.01 | |
| " | " | " | 75, | 1,664.84 | |
| " | " | " | 90, | 1,461.90 | |
| " | " | " | 172. | 505,851.79 | |
| " | " | " | 209, | 196,536.27 | |
| | | | | | $8,206,567.51 |

Miscellaneous Liabilities paid by The Lehigh Valley Coal Company April 13th, 1912, 2,216.65

TOTAL, $8,204,283.86

9983 Accounting Department,
New York, July 29th, 1914.

9984

# L. V. COAL SALES CO. EXHIBIT NO. 21. 9985

LEHIGH VALLEY COAL SALES COMPANY

EXHIBIT

November, 1912

| | Lehigh Valley Railroad Co. | | Lehigh Valley Coal Sales Co. Including Jeddo & H'land. | | 9986 |
|---|---|---|---|---|---|
| | Tons | % of Total | Tons | % of Total | |
| To Perth Amboy | 225,519 | 29% | 163,748 | 27% | |
| To Jersey City | 179,614 | 23 | 76,970 | 13 | |
| To Phillipsburg | 110,693 | 14 | 51,420 | 8 | |
| To Newark | 45,476 | 6 | 33,986 | 5 | |
| To Buffalo | 216,630 | 28 | 284,702 | 47 | |
| TOTAL | 777,932 | 100% | 610,826 | 100% | |

Total Shipments 856,443 tons.

Accounting Department.

9987

9988

## L. V. COAL SALES CO. EXHIBIT NO. 22.

COLLIERIES ALONG LINES OF LEHIGH VALLEY RAILROAD AND TONS SHIPPED OVER DIFFERENT RAILROADS INCLUDING LEHIGH VALLEY RAILROAD (NONE OF WHICH TONNAGE WAS PURCHASED OR HANDLED BY THIS DEFENDANT).

| Region: | Operator: | Colliery: | L. V. | P. & R. | C. R. R. of N. J. | D. L. & W. | D. & H. | P. R. R. | Total. |
|---|---|---|---|---|---|---|---|---|---|
| Mahanoy, | Est. A. L. VanWinkle, | Coleraine, | 38,981 | 123,095 | 46,354 | x | x | x | 208,430 |
| " | Mill Creek Coal Co., | Middle Lehigh | 55,054 | x | x | x | x | 33,615 | 88,669 |
| Schuylkill, | Dodson Coal Company, | Morea, | 18,312 | 179,694 | x | x | x | x | 198,006 |
| Wyoming, | Elliott, McClure & Co., | Sibley, | 96,544 | x | x | 113,038 | x | x | 209,582 |
| " | Plymouth Coal Company, | Black Diamond, | 31,877 | x | x | 28,275 | 14,056 | 70,279 | 144,487 |
| " | East Boston Coal Co., | East Boston, | 742 | x | x | 1,979 | x | 232 | 2,953 |
| " | East Boston Coal Co., | E. Boston Washy | 19,383 | x | x | 8,793 | x | 10,593 | 38,769 |
| " | Kingston Coal Company, | Kingston #4, | 173,218 | x | x | 1,804 | 273,571 | 84,843 | 533,526 |
| " | Kingston Coal Company, | Kingston Washy | 122,347 | x | x | 313 | 37,865 | 1,821 | 162,346 |
| " | Kingston Coal Company, | Kingston #2, | 351,296 | x | x | 355,544 | 40,408 | 416 | 747,664 |
| Lehigh, | C. M. Dodson & Company, | Beaver Brook, | 144,304 | x | 175,663 | x | x | x | 319,967 |
| | Total, | | 1,052,058 | 302,789 | 222,017 | 509,836 | 365,900 | 201,799 | 2,654,399 |

9993

## L. V. COAL SALES CO. EXHIBIT NO. 23.

ESTIMATED PROFIT ON SALES OF G. B. MARKLE CO'S COAL.

| | From Mar. 1, 1912, to Mar. 31, 1913. | From Apr. 1, 1913, to Mar. 31, 1914. | Total. |
|---|---|---|---|
| Tons Sold | 1,062,335.16 | 1,353,368.14 | 2,415,704.10 |
| Commission @ 12½c per ton, | $132,791.98 | $169,171.09 | $301,963.07 |
| Less: Estimated Expenses of Merchandising, | 96,268.27 | 148,411.54 | 244,679.81 |
| Estimated Net Profit, | $ 36,523.71 | $ 20,759.55 | $ 57,283.26 |
| Per Ton, | $0.0344 | $0.0153 | $0.0237 |

9994

Accounting Department,
NEW YORK, July 9th, 1914.

9995

9996

9997

# L. V. COAL SALES CO. EXHIBIT NO. 24.

## DEMURRAGE.

From March 1, 1912 to March 31, 1914.

Paid Lehigh Valley R. R. Co.,

| Month | | Where Accrued | Amount |
|---|---|---|---|
| March | 1912 | Alpine, N. Y. | $ 2.00 |
| June | " | McLean, " | 3.00 |
| " | " | do | 14.00 |
| July | " | Bethlehem, Pa. | 2.00 |
| August | " | Henrietta, N. Y. | 4.00 |
| 9998 " | " | Allentown, Pa. | 1.00 |
| " | " | Mauch Chunk, Pa. | 2.00 |
| November | " | Pittston Jct., Pa. | 2.00 |
| December | " | Bayonne, N. J. | 123.00 |
| January | 1913 | Auburn, N. Y. | 6.00 |
| " | " | Communipaw, N. J. | 76.00 |
| " | " | Irvington, N. J. | 18.00 |
| " | " | North Fair Haven, N. Y. | 274.00 |
| February | " | Caywood, N. Y. | 2.00 |
| " | " | Canastota, N. Y. | 111.00 |
| March | " | Trumansburg, N. Y. | 7.00 |
| " | " | Moravia, " | 2.00 |
| " | " | Sayre, Pa. | 9.00 |
| " | " | Mendon, N. Y. | 1.00 |
| " | " | Grand St., Jersey City, N. J. | 7.00 |
| " | " | Irvington, N. J. | 6.00 |
| 9999 April | " | Van Etten, N. Y. | 2.00 |
| " | " | Meshoppen, Pa. | 1.00 |
| " | " | Suspension Bridge, N. Y. | 6.00 |
| " | " | Geneva, N. Y. | 5.00 |
| May | " | Irvington, N. J. | 1.00 |
| " | " | Athens, Pa. | 3.00 |
| July | " | Tifft Farm, N. Y. | 16.00 |
| " | " | Rochester, N. Y. | 3.00 |
| August | " | Berkshire, N. Y. | 4.00 |
| September | " | Newfield, " | 1.00 |
| " | " | North Fair Haven, N. Y. | 117.00 |
| " | " | Victor, N. Y. | 1.00 |
| November | " | West Portal, N. J. | 2.00 |
| December | " | Ithaca, N. Y. | 1.00 |
| " | " | North Fairhaven, N. Y. | 12.00 |
| " | " | Irvington, N. J. | 2.00 |
| 10000 January | 1914 | Buffalo, N. Y. | 18.00 |
| " | " | Mendon, " | 2.00 |
| February, | " | South Plainfield, N. J. | 491.00 |
| " | " | Newark Valley, N. Y. | 5.00 |
| " | " | Ithaca, N. Y. | 2.00 |
| " | " | Suspension Bridge, N. Y. | 3.00 |
| March | " | Riverside, N. J. | 52.00 |
| | | TOTAL, | $1,422.00 |

## L. V. COAL SALES CO. EXHIBIT NO. 25. 10001

TONNAGE SOLD TO PARTIES LEASING YARDS AND TRESTLES FROM THE LEHIGH VALLEY COAL SALES CO.

Listed. (Answer—Page 16.)

| | Total Tonnage from March 1, 1912 to March 31, 1914. | |
|---|---|---|
| Yates Lehigh Coal Co., Walden Ave., Buffalo, N. Y. | 33,125.06 | |
| Lill Robinson Coal Co. 59th St. Chicago, Ill | 1,064.00 | 10002 |
| Bickett Coal & Coke Co., " | 16,486.18 | |
| Frank Dwyer, Geneva, N. Y. | 16,814.09 | |
| Carnegie Fuel Co., Western Ave. Minneapolis, Minn. | 13,036.00 | |
| Flour City F. & Feed Co. Harrison St. Minneapolis, Minn. | 2,326.00 | |
| A. H. Mowry, Oswego, N. Y. | 5,038.15 | |
| W. A. Dougherty, Oswego, N. Y. | 8,988.15 | |
| Carnegie Fuel Co., Como Ave. St. Paul | 10,009.00 | |
| Dalton Coal Co., State Street, Syracuse | 3,583.03 | |
| Dawson Coal Co., Magnolia St. Syracuse | 30,621.02 | 10003 |
| Tonnage sold to Parties under Lease | 141,093.08 | |
| Total tonnage Anthracite Coal Sold | 15,930,273.04 | |
| Per Cent of Total Tonnage sold to Parties under Lease | .0088% | |

Accounting Department,
New York, June 29, 1914.

10004

10005

## L. V. COAL SALES CO. EXHIBIT NO. 26.

TONNAGE FROM COLLIERIES LOCATED ON LEHIGH VALLEY RAILROAD NOT OWNED BY LEHIGH COAL CO., OR COXE BROS. & CO., INC., WHICH IS SOLD BY LEHIGH VALLEY COAL SALES CO. ON COMMISSION OR PURCHASED UNDER SHORT TERM AGREEMENTS.

| Company | Address | March 1st to Dec. 31, 1912. |
|---|---|---|
| 10006 Forty Fort Coal Co., | Scranton, | 333,536 |
| Mt. Lookout Coal Co., | " | 90,837 |
| Raub Coal Company, | Luzerne, | 82,746 |
| G. B. Markle Company, | Jeddo, | 808,381 |
| A. Pardee & Company, | Hazleton, | 332,589 |
| TOTAL, | | 1,648,089 |

Accounting Department,
NEW YORK, July 10th, 1914.

## L. V. COAL SALES CO. EXHIBIT NO. 27.

LEHIGH VALLEY COAL SALES COMPANY

10007 CALENDAR YEAR 1913

| | Rent | Taxes | Maintenance | Total |
|---|---|---|---|---|
| So. Plainfield | $10,247.00 | $ 2,694.98 | $ 6,224.80 | $19,166.78 |
| Newark—So. Broad St. | 9,055.00 | 2,023.80 | 781.38 | 11,860.18 |
| Rochester Trestle | 3,604.00 | 1,252.38 | 664.76 | 5,521.14 |
| Jersey City—Grand St. | 2,873.00 | 895.48 | 135.99 | 3,904.47 |
| Hudsondale | 10,349.00 | 2,598.75 | 3,152.88 | 16,100.63 |
| Ransom | 18,952.00 | 243.13 | 6,413.44 | 25,608.57 |
| Wende, Wyoming | 12,758.00 | 1,055.72 | 3,202.11 | 17,015.83 |
| TOTAL | $67,838.00 | $10,764.24 | $20,575.36 | $99,177.60 |

10008

Total Rental
Four Storage Plants

| | | |
|---|---|---|
| So. Plainfield | — | $10,247.00 |
| Hudsondale | — | 10,349.00 |
| Ransom | — | 18,952.00 |
| Wende, Wyoming | — | 12,758.00 |
| TOTAL | — | $52,306.00 |

Accounting Department.

## L. V. COAL SALES CO. EXHIBIT NO. 28.

10009

ANALYSIS OF GROSS SALES

CALENDAR YEAR 1913.

| | |
|---|---|
| Coal Sales Anthracite | $23,749,903.02 |
| Freight on " | 11,475,222.96 |
| Jeddo & Highland Sales | 3,724,975.39 |
| " Freight | 694,105.95 |
| Bituminous Yard Sales | 114,764.79 |
| " Direct " | 259,761.56 |
| Gross Sales 12 months to Dec. 31, 1913: | $40,018,733.67 |

10010

## L. V. COAL SALES CO. EXHIBIT NO. 29.

ANALYSIS OF GROSS SALES

10 MONTHS ENDING DECEMBER 31ST, 1912.

| | |
|---|---|
| Coal Sales Anthracite | $20,256,236.39 |
| Freight on " | 9,563,175.66 |
| Jeddo & Highland Sales | 2,522,824.58 |
| " Freight | 463,658.88 |
| Bituminous Yard Sales | 94,354.60 |
| " Direct " | 301,907.64 |
| Gross Sales 10 Months to Dec. 31st, 1912: | $33,202,157.75 |

10011

## L. V. COAL SALES CO. EXHIBIT NO. 30.

LEHIGH VALLEY COAL SALES COMPANY.

COST OF HANDLING, PER TON.

FISCAL YEAR 1913-14.

10012

| | |
|---|---|
| South Plainfield, | 19.76c |
| Ransom, | 29.87c |
| Hudsondale | 18.95c |
| Wende, | 25.23c |

Accounting Department,
NEW YORK, July 10th, 1914.

10013

## L. V. COAL SALES CO. EXHIBIT NO. 31.

ANALYSIS OF GROSS SALES

YEAR ENDING MARCH 31, 1914.

| | |
|---|---|
| Coal Sales Anthracite | $23,463,211.57 |
| Anthracite Freight | 11,395,487.98 |
| Jeddo & Highland Sales | 3,932,460.15 |
| do Freight | 760,830.90 |
| Bituminous Yard Sales | 115,101.30 |
| " Direct " | 282,537.79 |

10014

Gross Sales 12 Months to Mar. 31, 1914: $39,949,629.69

## L. V. COAL SALES CO. EXHIBIT NO. 32.

COAL IN STOCK AND IN TRANSIT.

MARCH 1, 1912.

| | Tons | Per Ton | Amount. |
|---|---|---|---|
| **STOCKS AT BUFFALO AND EASTERN STOCKING POINTS:** | | | |
| 10015 Sizes, Above Pea, | 205,997.01 | $4.00 | $ 823,988.20 |
| " Pea & Smaller, | 115,042.00 | 1.25 | 143,802.50 |
| | 321,039.01 | | $ 967,790.70 |
| **STOCKS AT CHICAGO AND WESTERN POINTS:** | | | |
| Sizes, Above Pea, | 58,500.13 | $5.75 | $ 336,378.74 |
| " Pea & Smaller, | 9,372.02 | 1.25 | 11,715.12 |
| | 67,872.15 | | $ 348,093.86 |
| **COAL IN TRANSIT:** | | | |
| Broken, | 6,059.02 | $2.5504 | $ 15,453.13 |
| Egg, | 24,484.17 | 2.9995 | 73,442.31 |
| Stove, | 22,594.02 | 3.0012 | 67,809.41 |
| Chestnut, | 39,078.02 | 3.1531 | 123,217.16 |
| 10016 Pea, | 3,810.09 | 1.5963 | 6,082.62 |
| Buckwheat, | 3,867.05 | 1.1806 | 4,565.68 |
| Rice, | 289.17 | .5935 | 172.03 |
| Barley, | 4,084.03 | .4051 | 1,654.49 |
| | 104,267.17 | | $ 292,396.83 |
| Freight paid on Coal in Transit, | | | 244,588.29 |
| | | | $ 536,985.12 |
| TOTAL, | 493,179.13 | | $1,852,369.68 |

Accounting Department,

NEW YORK, July 28th, 1914.

## L. V. COAL SALES CO. EXHIBIT NO. 33.

LEHIGH VALLEY COAL SALES COMPANY.
TEN MONTHS,—MARCH 1st TO DEC. 31, 1912.

| | Rent. | Taxes. | Maintenance. R. & R. | Insurance | TOTAL | Insurance Carried. |
|---|---|---|---|---|---|---|
| South Plainfield | $ 8,830.08 | $ | $ 6,414.31 | $ 113.09 | $15,357.48 | $18,700.00 |
| So. Broad St., Newark | 7,545.83 | 1,472.62 | 955.96 | 740.81 | 10,715.22 | 75,000.00 |
| Rochester | 3,003.33 | 1,011.87 | 865.77 | 306.20 | 5,187.17 | 31,000.00 |
| Grand St., J. City | 2,394.17 | 923.32 | 185.44 | 246.94 | 3,749.87 | 17,000.00 |
| Hudsondale | 8,624.16 | 2,170.62 | 1,291.46 | 67.99 | 12,154.23 | 25,000.00 |
| Ransom | 15,793.33 | 335.64 | 4,360.15 | 89.57 | 20,578.70 | 36,300.00 |
| Wyoming | 10,631.66 | 862.91 | 1,438.24 | 1,036.28 | 13,969.09 | 98,900.00 |
| TOTAL | $56,822.56 | $ 6,776.98 | $15,511.34 | $ 2,600.88 | $81,711.76 | |

Accounting Department,

NEW YORK, July 27, 1914.

10020 10019 10018 10017

# L. V. COAL SALES CO. EXHIBIT NO. 34.

LEHIGH VALLEY COAL SALES COMPANY.

TWELVE MONTHS, JANUARY 1, 1913, TO DECEMBER 31, 1913.

| | Rent. | Taxes. | Maintenance R. & R. | Insurance | TOTAL | Insurance Carried. |
|---|---|---|---|---|---|---|
| Riverside Dock, Newark | $ 2,389.00 | $ 839.92 | $ 849.64 | $ 171.00 | $ 4,249.56 | $20,000.00 |
| Irvington Yard, " | 1,535.00 | 307.81 | 99.72 | 171.00 | 2,113.53 | 20,000.00 |
| Water St. " Syracuse | 2,642.00 | 1,192.56 | 1,645.84 | 209.75 | 5,690.15 | 26,000.00 |
| 22nd St. " Chicago, | 3,140.00 | 115.16 | 1,371.10 | 213.75 | 4,876.01 | 25,000.00 |
| 31st St. " " | 3,761.00 | 92.22 | 1,805.47 | 192.37 | 5,851.06 | 22,500.00 |
| Ann St. " " | 5,300.00 | 943.78 | 1,584.60 | 12.82 | 7,841.20 | 1,500.00 |
| Clybourn Ave. " | 9,000.00 | 2,071.88 | 2,903.20 | 555.75 | 14,530.83 | 65,000.00 |
| Chicago Ave., " | 8,087.00 | 2,348.77 | 2,972.26 | 342.00 | 13,750.03 | 40,000.00 |
| Calumet Dock, " | 30,059.00 | 3,490.35 | 8,954.93 | 684.00 | 43,188.28 | 80,000.00 |
| Canal St. Dk., Milwaukee | 21,665.00 | 8,282.41 | 9,258.63 | 213.75 | 39,419.79 | 25,000.00 |
| Superior Dock | 12,928.00 | 5,640.30 | 8,367.46 | 983.25 | 27,919.01 | 115,000.00 |
| Franklin Ave., Minn. | 440.00 | 66.33 | 319.73 | x | 826.06 | x |
| Colfax Avenue, " | 240.00 | 275.41 | 4.50 | 59.85 | 579.76 | 7,000.00 |
| Arcade Street " | 853.00 | 362.18 | 396.89 | 59.85 | 1,671.92 | 7,000.00 |
| TOTAL | $102,039.00 | $26,065.08 | $40,533.97 | $ 3,869.14 | $172,507.19 | |

Accounting Department,

NEW YORK, July 27, 1914.

# L. V. COAL SALES CO. EXHIBIT NO. 35.

LEHIGH VALLEY COAL SALES COMPANY.

TEN MONTHS—March 1st to Dec. 31st, 1912.

| | Rent | Taxes | Maintenance R. & R. | Insurance | TOTAL | Insurance Carried. |
|---|---|---|---|---|---|---|
| Riverside Dock, Newark | $ 1,990.83 | $ 650.31 | $ 708.99 | $ 250.64 | $ 3,600.77 | $20,000.00 |
| Irvington Yard, " | 1,279.17 | 504.90 | 359.09 | 197.55 | 2,340.71 | 20,000.00 |
| Water Street, Syracuse | 1,868.33 | 371.04 | 500.76 | 260.67 | 3,000.80 | 26,000.00 |
| 22nd Street, Chicago | 2,616.67 | | 1,282.71 | 313.30 | 4,212.68 | 25,000.00 |
| 31st Street, " | 3,134.17 | | 1,775.31 | 289.55 | 5,199.03 | 22,500.00 |
| Ann " " | 4,416.66 | | 2,202.47 | 14.25 | 6,633.38 | 1,500.00 |
| Clybourn Ave. " | 7,500.00 | | 4,098.04 | 829.74 | 12,427.78 | 65,000.00 |
| Chicago Ave., " | 6,739.16 | | 3,868.48 | 531.60 | 11,139.24 | 40,000.00 |
| Calumet Dock " | 25,049.16 | | 7,397.86 | 1,002.56 | 33,449.58 | 80,000.00 |
| Canal St. Dock, Milw. | 18,054.16 | 5,505.57 | 8,814.28 | 313.30 | 32,687.31 | 25,000.00 |
| Superior Dock | 10,773.33 | 4,418.70 | 9,752.33 | 1,441.18 | 26,385.54 | 115,000.00 |
| Franklin Ave. Yard, Minn. | 366.67 | | 584.19 | x | 950.86 | x |
| Colfax Avenue, " | 200.00 | | 189.74 | 71.76 | 461.50 | 7,000.00 |
| Arcade Street, St. Paul | 710.83 | | 249.38 | 90.76 | 1,050.97 | 7,000.00 |
| TOTAL | $84,699.14 | $11,450.52 | $41,873.63 | $ 5,606.86 | $143,630.15 | |

Accounting Department,

NEW YORK, July 27, 1914.

10029

## L. V. COAL SALES CO. EXHIBIT NO. 36.

COAL PURCHASED.

JULY 1st, 1912, TO JUNE 30th, 1913.

| | Tonnage. |
|---|---|
| Forty Fort | 236,189.17 |
| Harry E | 246,462.04 |
| Mt. Lookout | 144,624.00 |
| Louise | 111,505.13 |
| Lehigh & W-B. Coal Co | 35,009.18 |
| Cranberry | 454,281.13 |
| 10030 TOTAL | 1,228,013.05 |

Accounting Department,

NEW YORK, July 28th, 1914.

10031

10032

# L. V. COAL SALES CO. EXHIBIT NO. 37.

NEW YORK AND BROOKLYN TONNAGE

April 1st, 1913 to March 31st, 1914.

LEHIGH VALLEY COAL SALES CO.

| | New York City | | | Brooklyn | | | Grand Total |
|---|---|---|---|---|---|---|---|
| | Tide | Rail | Total | Tide | Rail | Total | |
| Broken | 43,277.10 | 3,591.07 | 46,868.17 | 82,999.01 | 9,878.08 | 92,877.09 | 139,746.06 |
| Egg | 28,419.02 | 6,073.05 | 34,492.07 | 7,905.10 | 25,206.11 | 33,112.01 | 67,604.08 |
| Stove | 33,931.00 | 7,579.09 | 41,510.09 | 8,551.16 | 41,529.19 | 50,081.15 | 91,592.04 |
| Chestnut | 34,354.08 | 4,558.14 | 38,913.02 | 9,810.17 | 57,589.03 | 67,400.00 | 106,313.02 |
| Pea | 35,019.00 | 4,979.08 | 39,998.08 | 3,790.00 | 47,038.12 | 50,828.12 | 90,827.00 |
| Buckwheat | 142,520.04 | 6,711.16 | 149,232.00 | 11,038.10 | 45,585.07 | 56,623.17 | 205,855.17 |
| Rice | 43,758.04 | ..... | 43,758.04 | 4,611.00 | 13,371.09 | 17,982.09 | 61,740.13 |
| Barley | 24,784.11 | ..... | 24,784.11 | 6,921.16 | 10,022.11 | 16,944.07 | 41,728.18 |
| Screenings | 10,052.16 | ..... | 10,052.16 | 591.19 | ..... | 591.19 | 10,644.15 |
| | 396,116.15 | 33,493.19 | 429,610.14 | 136,220.09 | 250,222.00 | 386,442.09 | 816,053.03 |

The Rail Tonnage shown above is covered on A. F. 31 as "Rail New England."

10033 10034 10035 10036

10037 **L. V. COAL SALES CO. EXHIBIT NO. 38.**

LIST OF STOCKHOLDERS OF THE LEHIGH VALLEY COAL SALES COMPANY AS OF APRIL 9, 1914, WHO WERE NOT STOCKHOLDERS OF THE LEHIGH VALLEY RAILROAD COMPANY ON MARCH 28, 1914.

| | Name. | Shares. |
|---|---|---|
| | Bertha E. Adams, | 12 |
| | Charles P. Addams, | 2 |
| 10038 | Aimee G. Alexander, | 18 |
| | Julia T. Allis, | 16 |
| | The Anchor Company, | 50 |
| | William H. Ashhurst, | 13 |
| | Anna M. Atkins, | 102 |
| | Julia Simpler Aurand | 1 |
| | George W. Babcock, | 12 |
| | T. Hewson Bache, | 1 |
| | Susan Lloyd Bailey | 1 |
| | Frank H. Baker, | 2 |
| | Leonard B. Baker | 2 |
| 10039 | Louise G. Baker, | 5 |
| | May C. Baker, | 5 |
| | Ralph J. Baker, | 2 |
| | Dorothy Ball, | 38 |
| | James I. Barr, | 25 |
| | Barret, Rodewald & Co., | 12 |
| | Margaret B. W. Bartlett, | 23 |
| | Margaret Wolbert Bartlett, | 20 |
| | George L. Batchelder, | 100 |
| | Margaret L. Baugh, | 26 |
| 10040 | Sallie F. Bean, | 1 |
| | Wriley N. Beard, | 12 |
| | Eva L. Beattie, | 3 |
| | Howard Beck, | 5 |
| | Christian Becker, | 36 |
| | Matilda L. Behm, | 4 |
| | Charles S. Belford, | 50 |
| | Nathan M. Belford, | 41 |
| | Frank F. Bell & Co., | 375 |
| | Laura B. Bell, | 10 |

| | | |
|---|---|---|
| Matthew Bell, | 2 | 10041 |
| Benedict, Drysdale & Co., | 375 | |
| L. L. Benedict & Co., | 12 | |
| Theodore K. Bennett, | 5 | |
| Bernard, Scholle & Co., | 4 | |
| Harold Blakelock, | 4 | |
| Cornelius N. Bliss, | 452 | |
| George W. Bliss, | 1 | |
| Lizzie P. Bliss, | 13 | |
| Abe Blum, | 3 | |
| William A. Bog, | 10 | 10042 |
| Charles J. Bolgiano, | 3 | |
| Bond & Goodwin, | 5 | |
| Anna A. Booth, | 41 | |
| Charles M. Bostwick, | 63 | |
| Charles L. Bradley, | 37 | |
| Theresa M. Braun, | 1 | |
| James L. Breese, | 250 | |
| Harriet A. Bridells, | 28 | |
| Evelyn T. Bridgman, | 1 | |
| Osborn W. Bright, | 93 | |
| Sarah S. Bronson, | 14 | 10043 |
| Theodore L. Bronson, | 4 | |
| Mary D. Brooks, | 7 | |
| Rebecca Rhoads Brower, | 6 | |
| Adelaide H. Brown, | 12 | |
| Evelyn Stace Brown, | 1 | |
| G. Bremer Brown, Jr., | 5 | |
| Charles S. Buck, | 4 | |
| Nelson G. Bunnell, | 6 | |
| Emily J. Burgess, | 2 | |
| Alfred A. Burnham, | 17 | 10044 |
| Philip Caminoni, Jr., | 5 | |
| Anna Candidus, | 1 | |
| Kate Candidus, | 1 | |
| Agnes H. Cannon, | 25 | |
| Harvey N. Carpenter, | 2 | |
| Carter, Wilder & Co., | 20 | |
| Fannie E. Casey, | 8 | |
| Annie G. Castle, | 18 | |
| Henrietta G. Cattapani, | 6 | |

| | | |
|---|---|---|
| 10045 | Henry M. Chance, | 3 |
| | George N. Chandler, | 7 |
| | Frederic H. Chase, | 6 |
| | Randall Chase, | 13 |
| | Horace W. Chittenden, | 1 |
| | Ella Churchman, | 3 |
| | Louie Benton Clark, | 3 |
| | Florence J. Coates, | 1 |
| | Georgina H. Cochran, | 25 |
| | S. Frances Coffin, | 6 |
| | Florence Stokes Coleman, | 2 |
| 10046 | C. Howard Colket, | 16 |
| | Charles T. Colladay, | 13 |
| | Maurice W. Collins, | 7 |
| | Edson A. Conant, | 8 |
| | Ada Content, | 3 |
| | Continental Equitable Title & Trust Co., Arthur Hagen, Jr., & Christian A. Hagen, Trs. u/w Arthur Hagen, decd. for Christian A. Hagen, | |
| 10047 | | 20 |
| | Jeanne M. Copland, | 25 |
| | Elizabeth B. Camm Cornell, | 4 |
| | Alonzo E. Cottier, | 50 |
| | Kenneth B. Coulter, | 1 |
| | Clinton B. Cox, | 5 |
| | Crawford, Patton & Cannon, | 125 |
| | Edward O. Cummings, | 13 |
| | Charles E. Curtis, | 13 |
| | Elroy Curtis, | 3 |
| 10048 | Jerome J. Danzig & Co., | 25 |
| | Josephine S. Darte, | 32 |
| | Charles P. Davidson, | 6 |
| | J. Clarence Davies, | 3 |
| | Charles N. Davis, | 24 |
| | Emilie K. Davis, | 1 |
| | Ellen F. De Calry, | 83 |
| | Aaron De Cordova, | 15 |
| | Laura J. Deemer, | 1 |

| | | |
|---|---|---|
| Thomas De Forest & Bradford D. Pierce, Jr., Trustees u/w of Thomas De Forest, | 20 | 10049 |
| Arthur De Garis, | 1 | |
| Annah B. C. De Haven, | 16 | |
| Clayton H. De Lano, | 12 | |
| Harrison C. Desh, | 3 | |
| Thomas M. Devlin, | 25 | |
| Clara D. Dilks, | 8 | |
| Alan C. Dodson, Guardian of Estate of Charles M. Dodson, Jr., a minor, | 1 | |
| Alan C. Dodson, Guardian of Estate of John E. Dodson, a minor, | 1 | 10050 |
| Robert B. Dodson, | 50 | |
| Catherine E. Dohan, | 6 | |
| Anne de W. Dominick, | 125 | |
| Bayard Dominick, | 125 | |
| Ella M. Dominick, | 75 | |
| Pauline N. Doringh, | 2 | |
| J. C. Dowd & Co., | 250 | |
| Benjamin N. Duke, | 3,125 | |
| Charles S. Duncan, | 1 | |
| Frank M. Duncan, | 1 | 10051 |
| M. Edith Dunshee, | 100 | |
| Anna Dunwoody, decd., | 1 | |
| Joseph Eastman, | 392 | |
| Edey, Field & Sloan, | 14 | |
| George S. Edgell, | 12 | |
| John Edouard, | 20 | |
| Ogden M. Edwards, Jr., | 18 | |
| George H. Eggemeyer, | 50 | |
| James W. Ellsworth & Co., | 75 | |
| Jay Morse Ely, | 12 | 10052 |
| Rena C. Emerson, | 13 | |
| Emory, Freed & Co., | 13 | |
| Mary M. Engel, | 1 | |
| Anna D. English, | 8 | |
| Addison Erdman, | 1 | |
| Estabrook & Co., | 12 | |
| Estate of Henry Cochran, | 25 | |
| Estate of Marie V. Madeira, | 3 | |
| Estate of Alfred Mills, | 1 | |

| | | |
|---|---|---|
| 10053 | Estate of Charles W. Seary, | 5 |
| | Estate of Edward A. Skinner, | 19 |
| | Blanche F. Evans, | 13 |
| | William R. Evans, | 2 |
| | Edward C. Ferriday, | 44 |
| | Henry Feuchtwanger, | 62 |
| | The Fidelity & Casualty Co. of New York, | 563 |
| | Fidelity Trust Co. & Edward A. Armstrong, Trustees u/w Edward H. Burling, | 22 |
| 10054 | Fidelity Trust Co., Trustee for Isaac Albert Ford u/w of Isaac Ford, decd., | 3 |
| | Fidelity Trust Co., Trustee u/w John Mirkil, decd. for Charles Mirkil, | 7 |
| | Fidelity Trust Co., Trustee u/w of Frank W. Paul, | 6 |
| | Fidelity Trust Co. & William H. Snyder, Trustees u/w of Horace M. Bellows, | 16 |
| | Fidelity Trust Co., Florence Spencer Stokes & R. Marshall Truitt, Trustees u/w Samuel E. Stokes, decd., | 10 |
| | Albert R. Fish, | 25 |
| 10055 | Jessie W. Fisher, | 3 |
| | Joseph H. Fisher, | 4 |
| | Mary A. Fisher, | 3 |
| | George P. Fiske, | 50 |
| | Mary Fitzwater, | 4 |
| | Samuel W. Floss, | 12 |
| | Julie Cole Ford, | 48 |
| | Emily E. Fordyce, | 10 |
| | Foster & Adams, | 37 |
| | William K. Fowler, | 20 |
| 10056 | Edward M. Francis, | 110 |
| | Mary E. Wilkins Freeman, | 7 |
| | Ida C. French, | 16 |
| | B. Y. Frost & Co., | 625 |
| | Carl L. Fry, | 62 |
| | James W. Fry, | 40 |
| | M. Estelle Crawford Fry, | 24 |
| | Robert L. Fryer, | 375 |
| | Theodore B. Furman, | 200 |
| | William Gammell, | 100 |

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|---|---|---|
| Jenny Gans, | 63 | 10057 |
| Julia Geisenberger, | 3 | |
| George S. Gerhard, | 12 | |
| Mary E. Gibbons, | 15 | |
| William E. Gilbert, | 25 | |
| James F. Gleason, Trustee u/w Rebecca W. Hart, decd., | 1 | |
| Sophia M. Godley, | 3 | |
| Abraham Goldsmith, | 62 | |
| Moses Goldsmith, | 25 | |
| James D. Gordon, | 10 | 10058 |
| Frederic S. Gould, | 32 | |
| Carl E. Grammer, | 3 | |
| Julia C. Graves, | 7 | |
| George E. Gray, | 5 | |
| Joseph W. Greacen, | 20 | |
| Annie Fisk Green, | 18 | |
| Milton J. Greenebaum, | 2 | |
| Charles H. Griffing, | 29 | |
| Isaac D. Griffith, | 10 | |
| Leontine Guerin, | 50 | |
| William Hackett, | 13 | 10059 |
| Jacob H. Hade, | 3 | |
| Christian A. Hagen, | 125 | |
| Sallie F. Haines, | 4 | |
| Everett C. Hall, | 10 | |
| Margaret T. Hallowell, | 5 | |
| Penrose Hallowell, decd., | 102 | |
| Charles D. Halsey, | 250 | |
| John W. Hamilton, | 45 | |
| Charles B. Hanley, | 31 | |
| Charles C. Hardwick, | 20 | 10060 |
| Clarence L. Harper, | 2 | |
| Kate L. Harper, | 2 | |
| Orlando H. Harriman, | 18 | |
| Nina J. Hart, | 7 | |
| Alexander E. Harvey, Jr., | 1 | |
| Arthur B. Hatcher, | 30 | |
| Celestia W. Hawkins, | 4 | |
| George A. Hawkins, | 6 | |
| Norman P. Hayes, | 25 | |

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|---|---|---|
| 10061 | Robert H. Hazeltine, | 1 |
| | Julia E. Heebner, | 19 |
| | Adolph Heinemann, | 38 |
| | Charles C. Helmer, | 6 |
| | Emily E. Henry, | 2 |
| | Louis Hess, | 5 |
| | Alvin E. Hewitt, | 38 |
| | Emanuel Hey, | 11 |
| | Charles F. Hickox, | 1 |
| | Mary B. Hicks, | 1 |
| 10062 | F. Worthington Hine, | 12 |
| | Gertrude J. Hine, | 3 |
| | Lyman N. Hine, | 25 |
| | Jacob Hirsh, | 200 |
| | Sidney S. Hoag, | 25 |
| | John E. Hoffman, | 25 |
| | John Q. Holcombe, | 6 |
| | John A. H. Hopkins, | 12 |
| | Ann K. Hornor, decd., | 5 |
| | Willard B. Howe, | 62 |
| | Hubbard Bros. & Co., | 13 |
| 10063 | Margaret E. Hubbard, decd., | 3 |
| | Isabel Hudnut, | 11 |
| | Huhn, Edey & Co., | 5 |
| | Hamilton B. Humes, decd., | 6 |
| | Alice M. Humphreys, | 38 |
| | Daisy Humphreys, | 2 |
| | Edward B. Humphreys, | 1 |
| | Sarah R. Hunsicker, | 1 |
| | Hunt, Ellis & Co., | 2 |
| | Hunt, Saltonstall & Co., | 12 |
| 10064 | Joseph J. Hurwitz, | 3 |
| | Hyzer & Lewellen, | 13 |
| | Edward J. Ingamells, | 12 |
| | Frederick C. Inman, | 63 |
| | Josephine R. Jarvis, | 2 |
| | William B. Jenkins, | 31 |
| | Helen C. Jenks, | 32 |
| | Frederick Jennings, | 6 |
| | Julia H. Jennings, | 2 |
| | Margaret E. Jennings, | 20 |

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|---|---|---|
| Peer P. Johnson, | 10 | 10065 |
| George Washington Jones, | 6 | |
| Sarah P. Jones, | 5 | |
| Kean, Taylor & Co., | 2,100 | |
| E. Alice Keating, | 2 | |
| Benjamin Williamson Keen, | 25 | |
| Emma S. Keiper, | 7 | |
| Annie L. Kemmerer, | 3 | |
| Eugene T. Kieffer, | 1 | |
| Horace M. Kilborn, | 64 | |
| Howard A. Kindt, | 3 | 10066 |
| Howard T. King, | 2,683 | |
| Oliver C. Kingsley, | 2 | |
| Lydia B. Kirkbride, | 9 | |
| William H. Kirkpatrick, | 1 | |
| James G. Kline, | 8 | |
| Harry K. Knapp, | 50 | |
| Lyman W. Knapp, | 7 | |
| Gustav A. Knoblauch, | 20 | |
| Eben J. Knowlton, | 500 | |
| William F. H. Koelsch, | 6 | |
| Charles J. Kramer, Jr., | 2 | 10067 |
| David Kuh, | 13 | |
| Lachman & Goldsmith, | 62 | |
| Florence C. Lamont, | 312 | |
| Thomas W. Lamont, | 375 | |
| Caroline V. Landers, | 1 | |
| John Langdon, | 5 | |
| John A. Larkin, | 1 | |
| Effingham Lawrence & Co., | 3 | |
| Arthur P. Lee, | 5 | |
| Edwin A. Lee, | 25 | 10068 |
| Margaret W. Lewis, | 31 | |
| Lewis Lewith, decd., | 3 | |
| George H. Lill, | 20 | |
| Alice N. Lincoln, | 25 | |
| Anna Steward Lincoln, | 13 | |
| Marc C. Liquornik, | 1 | |
| Louise Little, | 20 | |
| Marian White Little, | 2 | |
| Charles W. Lloyd, | 13 | |

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|---|---|---|
| 10069 | Horatio G. Lloyd, | 250 |
| | Isaac H. Locke, | 19 |
| | Katherine P. Loewi, | 3 |
| | Hiram H. Logan, | 125 |
| | Edward T. Longstreth, | 5 |
| | Ernest E. Lorillard, | 50 |
| | Maud M. Lowrey, | 2 |
| | George T. Lukens, | 5 |
| | Herbert C. Lyle, | 9 |
| | Mary G. Lyons, | 4 |
| 10070 | Julia B. McCoy, | 5 |
| | Francis K. McCully, | 62 |
| | Michael McEntee, decd., | 3 |
| | Mary J. McGlensey, | 6 |
| | Henry McKeen, Jr., | 2 |
| | William J. McLaughlin, | 103 |
| | Howard K. McLean, | 5 |
| | Charles E. MacBride, | 10 |
| | Marguerite Wood MacCoy, | 2 |
| | Charles H. MacDowell, | 25 |
| | John MacInnes, | 10 |
| 10071 | Donald Mackay, | 27 |
| | Clara N. Madeira, | 2 |
| | Albert Malle, | 2 |
| | Ella Manderson, | 40 |
| | Bertha N. Martin, | 2 |
| | J. H. Thayer Martin, | 2 |
| | Emanuel Mathez, | 8 |
| | Walter B. Matteson, | 93 |
| | William J. Matthews, | 5 |
| | Joseph S. Maxwell, | 1 |
| 10072 | William G. Mayburry, | 2 |
| | W. B. Meikle, | 62 |
| | Mellor & Petry, | 10 |
| | Merchants Union Trust Co. & Clarence L. Harper, Trustees u/w of George Lee, decd., | 26 |
| | E. Gertrude Merritt, | 9 |
| | Alfred Mestre & Co., | 250 |
| | Martha L. R. Miller, | 125 |
| | Robert G. Miller, | 13 |
| | Alfred Mills, Surviving Trustee u/w | |

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|---|---|---|
| of Stephen Vail, decd., | 57 | 10078 |
| George L. Miner, | 2 | |
| Donald Gibson Mixsell, | 7 | |
| F. P. Moore & Co., | 12 | |
| Mary Morris, | 12 | |
| John H. Morrissey, | 3 | |
| Charles Mortimoore, | 13 | |
| Lucretia J. Morton, | 1 | |
| Muller & Nash, | 52 | |
| Orlando L. Myers, | 4 | |
| Frances Neeley, | 3 | 10074 |
| Pauline L. Neidhard, | 1 | |
| Alise S. N. Newlin, | 1 | |
| Anna W. H. Nichols, | 50 | |
| George B. Noble, | 31 | |
| William F. Norris, | 13 | |
| Charles D. Norton, | 13 | |
| George W. Ochs, | 1 | |
| David B. Ogden, Trustee under trust deed dated Sept. 8, 1911, | 5 | |
| Mildred S. Ogden, | 1 | |
| Mary E. O'Reilly, | 2 | 10075 |
| Katherine Odessa Packard, | 25 | |
| William Guthrie Packard, | 25 | |
| Carl H. Palmer, | 2 | |
| Robert M. Parker, | 25 | |
| Parkinson & Burr, | 127 | |
| Henry H. Parmelee, | 125 | |
| John R. Parry, | 13 | |
| Simon F. Peavey, Jr., | 13 | |
| Edward S. Peck, | 50 | |
| Penna Co. for Ins. on Lives, &c., & Joseph L. Woolston, Trustees u/w Joshua W. Woolston. | 3 | 10076 |
| Mitchell B. Perkins, | 5 | |
| Helen J. Pfoutz, | 1 | |
| Bradford D. Pierce, Jr., | 25 | |
| Elizabeth L. Piper, | 6 | |
| George Platt, | 8 | |
| Platt, Yungman & Co., | 19 | |
| Popper & Sternbach, | 2 | |

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|---|---|---|
| 10077 | Nathaniel D. Putnam, Jr., | 550 |
| | Eva B. Quirk, | 4 |
| | Joseph F. Rae, | 20 |
| | Charles M. Ramsdell, | 150 |
| | Harry T. Ramsdell, | 375 |
| | Raymond, Starr & Co., | 30 |
| | Charles G. Raynor, | 25 |
| | Charles A. Reed, | 250 |
| | Frederick L. Reis, | 13 |
| | Horace E. Richards, | 4 |
| 10078 | Mary D. Richards, | 8 |
| | Virginia C. Robbins, | 13 |
| | Cornelia W. Roberts, | 62 |
| | George A. Robinson, | 2 |
| | Anne S. Roeser, | 13 |
| | Anne S. Roeser, Guardian of Harry Hallowell Snyder by order Supreme Court, Kings Co., N. Y. August 10, 1910, | 13 |
| | Frederick B. Rogers, | 25 |
| | George T. Rogers, | 25 |
| | George W. Rogers, | 125 |
| 10079 | Samuel J. Rohr, | 5 |
| | Hannah J. Rosenway, | 10 |
| | Walter L. Ross & Co., | 25 |
| | H. Ten Broeck Runk, | 1 |
| | Katherine H. Ryle, | 13 |
| | Sailer & Stevenson, | 1 |
| | Frank A. Sayles, | 200 |
| | Clara B. Sayre, | 6 |
| | William H. Sayre, | 6 |
| | Maria C. Scattergood, | 60 |
| 10080 | Edwin C. Schenck, | 6 |
| | Margaret Schultz, | 2 |
| | Sidney S. Schuyler, | 125 |
| | Alexander H. Scott, | 22 |
| | Edward M. Scudder, | 25 |
| | Guy H. Scull, | 15 |
| | Max L. Scull, | 19 |
| | Allen V. Shaffner, | 5 |
| | Charles L. Shainwald, | 15 |
| | Clarence E. Sharpless, | 2 |

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|---|---|---|
| Susan D. Sharpless, | 10 | 10081 |
| T. Wilson Sharpless, | 13 | |
| Thomas G. Shearman, Jr., | 5 | |
| Cora J. Shulze, | 1 | |
| Emma M. Shuman, | 10 | |
| Caroline Singleton, | 7 | |
| MaBelle C. Skeele, | 1 | |
| Rosamond T. Skillen, | 1 | |
| A. Lewis Smith, | 10 | |
| Eleanor S. Smith, | 1 | |
| Helen Dominick Smith, | 50 | 10082 |
| Hiram C. Smith, | 1 | |
| John Durrell Smith, | 25 | |
| Oscar B. Smith, Jr., | 12 | |
| S. MacCuen Smith, | 6 | |
| Margaret G. Snyder, Guardian of Carrol M. & Elizabeth G. Snyder by order of Supreme Court, N. Y. Co., 1-6-08, | 13 | |
| Frank E. Solomon, | 15 | |
| Louis M. Sonnenberg, | 30 | |
| Charles M. Spare, | 2 | |
| Helen M. Stanley, | 1 | 10083 |
| Laura P. Starin, | 2 | |
| Ernst Stauffen, | 12 | |
| Mariana J. Steel, | 8 | |
| Charles Steers, | 12 | |
| Caroline Halsey Steins, | 4 | |
| Josephine Stephani, decd., | 1 | |
| John W. Sterling, | 250 | |
| Herman B. Stern, | 75 | |
| James M. Stevenson, | 4 | |
| Fannie B. Stockham, | 5 | 10084 |
| J. Spencer Stokes, | 2 | |
| Samuel E. Stokes, | 2 | |
| Mortimer L. Strasburger, | 13 | |
| Arthur P. Sturges, | 18 | |
| Frederick Sturges, | 37 | |
| Ernest D. Sturmer, | 1 | |
| Mark Sullivan, | 3 | |
| Taylor, Auchincloss & Joost, | 7 | |
| Charles S. Taylor, | 25 | |

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|---|---|---|
| 10085 | Ethel D. Taylor, | 25 |
| | E. Winslow Taylor, | 25 |
| | Kate C. Taylor, | 17 |
| | Louisa J. Taylor, | 3 |
| | Mary E. W. Terrell, | 95 |
| | Julia W. Thompson, | 2 |
| | Thompson, Towle & Co., | 813 |
| | Mary Lowber Thomson, | 2 |
| | Frederick J. Thornley, | 7 |
| | Alice B. Thurston, | 2 |
| 10086 | Abraham Ticktin, | 1 |
| | Henry L. Tiffany, | 4 |
| | Isabella E. Tiley, | 2 |
| | Alfred Tobias, | 20 |
| | Rhea Reid Topping, | 775 |
| | Henry R. Towne, | 25 |
| | Eliza B. Troemner, | 37 |
| | A. Manderson Troth, | 35 |
| | Lucie Byrd Trotter, | 25 |
| | R. Marshall Truitt, | 1 |
| | William C. Trull, | 50 |
| 10087 | George H. Tukey, | 625 |
| | Walter B. Tuthill, | 15 |
| | George H. Ulrich, | 8 |
| | Mabel F. Ulrich, | 8 |
| | Underwriter's Fire Insurance Co., | 22 |
| | Van Antwerp, Bishop & Co., | 161 |
| | Louisa Van Boskirk, | 1 |
| | Justin Loomis Van Gundy, | 2 |
| | John H. Von Wecheln, Jr., | 62 |
| | Maggie A. Voorhis, | 7 |
| 10088 | Ellen H. Wadhams, | 3 |
| | Sarah Wood Wagner, | 3 |
| | F. King Wainwright, | 3 |
| | William D. Walker, | 3 |
| | Oscar B. Ward, | 3 |
| | Emma L. Warne, | 30 |
| | George C. Warren, Jr., | 56 |
| | Eva A. Washburn, | 2 |
| | John I. Waterbury, | 625 |
| | Carlene A. Way, | 18 |

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|---|---|---|
| Edith Packard Welch, | 25 | 10089 |
| Weld, Grew & Co., | 30 | |
| James A. Werkheiser, | 2 | |
| Margaret C. West, | 2 | |
| Lloyd Wharton-Bickley & Margaret Wharton-Bickley, Trustees for Anna M. V. Brice u/w Hannah M. W. Bickley, | 3 | |
| Frederick S. Wheeler, | 625 | |
| John White, | 5 | |
| Bertha B. Whiting, | 3 | |
| Ethel K. Wickes, | 7 | 10090 |
| Charles B. Wiggin, | 327 | |
| Laura N. Wiggin, | 12 | |
| E. P. Wilbur Trust Co., Trustee of Estate of E. P. Wilbur, decd., | 1 | |
| Samuel Wilcox, | 38 | |
| Daniel G. Wild, | 50 | |
| Frank B. Wildman, | 13 | |
| Mary Williams, | 2 | |
| C. Colket Wilson, | 32 | |
| George N. Wilson, | 2 | |
| Mary E. Wilson, | 7 | 10091 |
| Paul Wilson, | 5 | |
| William C. Wilson, | 31 | |
| Kate W. Winthrop, | 150 | |
| Fannie H. Wolf, decd., | 1 | |
| Charles Wood, | 2 | |
| Nathaniel M. Woods, | 6 | |
| Mary Emma Wray, | 1 | |
| Jasper Wyman, | 4 | |
| Arthur A. Yeamans, | 12 | |
| Willis G. Yeamans, | 11 | 10092 |
| Bertha E. Zelley, | 1 | |
| Kathryn Dillon Zucker, | 13 | |
| A total of 530 stockholders, holding | 28,793 shares. | |

10093 **L. V. COAL SALES CO. EXHIBIT NO. 39.**

LEHIGH VALLEY COAL SALES CO.
90 West Street
New York

February 16th, 1912.

NOTICE.

The Lehigh Valley Coal Sales Co. will purchase on March 1st, 1912, and thereafter, The Lehigh Valley Coal
10094 Company's output of Anthracite Coal, at the mines, and will take over that Company's business of selling, shipping and handling coal.

The Lehigh Valley Coal Sales Co. assumes all the obligations of The Lehigh Valley Coal Co. with respect to agreements for the sale of coal; all payments for coal purchased should be made to the Lehigh Valley Coal Sales Co. on and after March 1st.

Your continued patronage is respectfully solicited.

JOHN W. SKEELE,
President.

10095

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**L. V. COAL SALES CO. EXHIBIT NO. 40.**

LIST OF OFFICERS AND SALES AGENTS OF THIS CO.

Officers

Mr. G. N. Wilson, President, 90 West Street, N. Y. C.
Mr. W. R. Evans, Vice Pres. & Gen'l Sales Agent, 90 West St., N. Y. C.
Mr. W. J. Burton, Secretary & Treasurer, 90 West St., N. Y. C.
10096 Mr. A. R. Kyle, Asst. Secretary & Asst. Treasurer, 90 West St., N. Y. C.

Agencies

Mr. Wm. S. Wolle, Gen'l Eastern Sales Agent, 90 West Street, New York.
Mr. W. J. Conkling, Sales Agent, Union Building, Newark, N. J.
Mr. James Dodd, Sales Agent, 505 Grand Street, Jersey City, N. J.
Mr. H. P. Myers, Eastern Sales Agent, 141 Milk Street, Boston, Mass.

Mr. F. P. Ryder, Southern Sales Agent, 10097
Franklin Bank Bldg., Philadelphia, Pa.
Mr. Leo. A. Stem, Line Sales Agent,
Penn Trust Bldg., Allentown, Pa.
Mr. A. H. Schwarz, Sales Agent,
Gridley Bldg., Syracuse, N. Y.
Mr. J. S. Hamilton, Genl. Nor. Sales Agent,
Marine Nat'l Bank Building, Buffalo, N. Y.
Mr. A. D. Stewart, Sales Agent,
Wilder Building, Rochester, N. Y.
Mr. F. W. Niederlander, Sales Agent, 10098
Williamson Bldg., Cleveland, Ohio.
Mr. Geo. E. Boulton, Sales Agent,
Ford Building, Detroit, Mich.
Mr. Elmer Martin, Sales Agent,
McCormick Building, Chicago, Ill.
Mr. J. M. Fiske, Jr., Sales Agent,
Merchants & Mfrs. Bank Building, Milwaukee, Wis.
Mr. W. F. Aldenderfer, Nor. Western Sales Agt.,
Security Bank Bldg., Minneapolis, Minn.

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10099

## L. V. COAL SALES CO. EXHIBIT NO. 41.

LEHIGH VALLEY COAL SALES COMPANY.

Wilkes Barre, Pa., July 13, 1914.

Mr. Leo A. Stem,

Lines Sales Agent,

Allentown, Pa.

Dear Sir:—

On calling on the Lake Transit Co. Harveys Lake, Pa., 10100
I find they are now buying from the Kingston Coal Co. at the following price.

Pea coal $2.25 at mines, freight 90c or $3.15 delivered. Our price.

Pea coal $2.55 at mines. Freight $1.15 or $3.70 delivered. We have had this trade ever since their boats have been running, and I regret seeing it go elsewhere.

Yours very truly,

H. M. Speece,

Salesman.

10104 10103 10102 10101

# L. V. COAL SALES CO. EXHIBIT NO. 42.

| Name of Lessee | Location of premises | Do we Sell Them | Estimated proportion sold them by other Companies | Are rates in effect from collieries on roads other than L. V. R. R.? If so, what Railroads? | Do L. V. R. R. Tariffs name same rates from collieries not operated by L. V. Coal Co.? |
|---|---|---|---|---|---|
| Marcus E. Good | Allentown, Pa., 339-340 Gordon Street. | Yes | No per cent. | Yes, C. R. R. of N. J. | Yes |
| James Butz & Co. | Allentown, Pa., Jordon and Gordon Streets | Yes | 20% | Yes, C. R. R. of N. J. | Yes |
| Edgar J. Lumley | Allentown, Pa., 115-125 Hamilton Street | Yes | 50% | Yes, C. R. R. of N. J. | Yes |
| Allen Coal Co. | Allentown, Pa., Union Street | No | 100% | Yes, C. R. R. of N. J. | Yes |
| W. H. Marsteller | Allentown, Pa., Union and Second Streets | Yes | 25% | Yes, C. R. R. of N. J. | Yes |
| Nelson E. Kern | do | No | 100% | Yes, C. R. R. of N. J. | Yes |
| D. F. Bast | do | No | 100% | Yes, C. R. R. of N. J. | Yes |
| Jeremiah Kemmerer | do | No | 100% | Yes, C. R. R. of N. J. | Yes |
| J. F. Butz & Co. | Allentown, Pa., Gordon Street | Yes | 20% | Yes, C. R. R. of N. J. | Yes |
| E. C. Smoyer | do | Yes | 25% | Yes, C. R. R. of N. J. | Yes |
| J. Martin Laubach | do | Out of business | | Yes, C. R. R. of N. J. | |
| Wm. H. Wisser | do | Yes | No per cent. | Yes, C. R. R. of N. J. | Yes |
| Southdown Knitting Co. | do | No | 100% | Yes, C. R. R. of N. J. | Yes |
| Lehigh Mills Corporation | do | No | | Yes, C. R. R. of N. J. | |
| J. A. Lieberman Sons | do | No | | Yes, C. R. R. of N. J. | |
| Lieberman Brewing Co. | do | Yes | No per cent. | Yes, C. R. R. of N. J. | Yes |
| L. F. Neuweiler & Son | Allentown, Pa., Gordon Street | Yes | No per cent. | Yes, C. R. R. of N. J. | Yes |
| J. F. Butz & Co. | Allentown, Pa. | Yes | 20% | Yes, C. R. R. of N. J. | Yes |
| Koch Bros. | do | Yes | No per cent. | Yes, C. R. R. of N. J. | Yes |
| Wm. Hilbert & Co. | Allentown, Pa. | No | 100% | Yes, C. R. R. of N. J. | Yes |
| R. S. Rathbun | do | Out of business | | Yes, C. R. R. of N. J. | |
| H. E. Lehr | do | No | | Yes, C. R. R. of N. J. | |
| C. C. Reichard | do | Out of business | | Yes, C. R. R. of N. J. | |
| F. B. Kintner | Athens, Pa., Walnut Street | Yes | 20% | No | Yes |
| Cuddy & Geberin | Auburn, N. Y., Washington Street | Yes | 25% | Yes, P. & R., Erie, D. L. & W., P. R. R. & O. & W. | Yes |

L. V. COAL SALES CO. EX. NO. 42—(Continued).

| Name of Lessee | Location of premises | Do we Sell Them | Estimated proportion sold them by other Companies | Are rates in effect from collieries on roads other than L. V. R. R.? If so, what Railroads? | Do L. V. R. R. Tariffs name same rates from collieries not operated by L. V. Coal Co.? |
|---|---|---|---|---|---|
| R. E. Apgar | Bound Brook, N. J. | Yes | No per cent. | Yes, C. R. R. of N. J. P. & R. | Yes |
| P. J. Staats | do | Yes | 15% | Yes, C. R. R. of N. J. P. & R. | Yes |
| D. C. Benaley | Barton, N. Y., Maple Avenue, | Yes | 50% | Yes, Erie R. R. | Yes |
| A. L. Carpenter | Batavia, N. Y., Lehigh Avenue | No | 100% | Yes, Erie & P. & R. | Yes |
| Yates-Lehigh Coal Co. | Buffalo, N. Y., Louisiana Avenue | Yes | No per cent. | Yes, D. L. & W., Erie P. & R., P. R. R. | Yes |
| J. C. Rankin | Cranford, N. J., Centennial Avenue | Yes | 95% | Yes, C. R. R. of N. J. | Yes |
| Levi Stoffiet | Cementon, Pa. | Yes | No per cent. | No | Yes |
| Hamilton Farnham | Canastota, N. Y., Centre Street | Yes | No per cent. | Yes, D. L. & W., P. & R., O. & W., D. & H. | Yes |
| do | Canastota, N. Y., Petersboro Street | Yes | No per cent. | Yes, D. L. & W., P. & R., O. & W., D. & H. | Yes |
| Stanley R. Cummings | Cayuga, N. Y. | Yes | 10% | Yes, D. L. & W., O. & W., P. & R., Erie, P. R. R. | Yes |
| do | do | | | | |
| G. F. Jones | Cayuta, N. Y. | Yes | 50% | No | Yes |
| *Tillotson & Howson | Cazenovia, N. Y. near Elm Street | Yes | 20% | Yes, D. L. & W., O. & W., P. & R., Erie, P. R. R. | Yes |
| *Mogg & Davis | do | Yes | 20% | Yes, D. L. & W., O. & W., P. & R., Erie, P. R. R. | Yes |
| do | Cazenovia, N. Y., Elm Street | Yes | 20% | Yes, D. L. & W., O. & W., P. & R., Erie, P. R. R. | Yes |
| H. W. Longfellow | Cedar Swamp, N. Y. | Yes | No per cent. | No | Yes |
| do | do | Yes | No per cent. | No | Yes |
| Wm. E. Ely | Cheektowaga, N. Y. | No | | | |

* Howson & Davis

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## L. V. COAL SALES CO. EX. NO. 42—(Continued).

| Name of Lessee | Location of premises | Do we Sell Them | Estimated proportion sold them by other Companies | Are rates in effect from collieries on roads other than L. V. R. R.? If so, what Railroads? | Do L. V. R. R. Tariffs name same rates from collieries not operated by L. V. Coal Co.? |
|---|---|---|---|---|---|
| C. M. Jennings & Arthur T. Dunn | Cortland, N. Y., Elm Street | Yes | 25% | Yes, D. L. & W. | Yes |
| Peckham & Morgan | Cortland, N. Y., Delaware Avenue | Yes | 25% | Yes, D. L. & W. | Yes |
| J. A. Depew | Delano, Pa. | Yes | No per cent. | No | Yes |
| John Struppler | Dimock, Pa. | Out of business | | | |
| do | do | Out of business | | | |
| M. G. Seeger | Lancaster, N. Y., Central Avenue | Yes | No per cent. | No | Yes |
| D. Moore & F.W. Hadlow, | Dickson, N. Y. | No | | | |
| D. L. Miller | West Elizabeth, N. J., Broad Street | Yes | No per cent. | No | Yes |
| Latham & Burns | Elmira Heights, N. Y. | Yes | 60% | No | Yes |
| John J. Roberts | Fair View, Pa. | Yes | No per cent. | No | Yes |
| Wm. Shimer Sons & Co. | Freemansburg, Pa. | Yes | 10% | Yes, C. R. R. of N. J. | Yes |
| Horace Gross | do | Yes | No per cent. | Yes, C. R. R. of N. J. | Yes |
| do | do | Yes | No per cent. | Yes, C. R. R. of N. J. | Yes |
| Greenville Coal & Ice Co. | Jersey City, N. J., Garfield Avenue | Yes | No per cent. | Yes, P. R. R., Erie, C. R. R. of N. J. | Yes |
| Lehigh Valley Coal Co. | Geneva, N. Y., Exchange Street | No | | Yes, O. & W., P. R. R., P. & R., D. & H., D. L. & W. | Yes |
| The Allen-Hewitt Co., | Groton, N. Y., near Mill Street | Out of business | | No | Yes |
| C. H. Forrest | Homets Ferry, Pa. | Yes | No per cent. | No | Yes |
| C. M. Westlake | Horseheads, N. Y., Ithaca Street | No | | Yes, Erie, D. L. & W. Pa. | |
| Lehigh Valley Coal Co. (with permission to sublease to L. V. Coal Sales Co.) | Irvington, N. J., Clinton Avenue | | | Yes, Penna., Erie, C. R. R. of N. J., D. L. & W. | |
| F. C. Adams | Ira, N. Y. | Yes | No per cent. | No | Yes |
| Wm. A. Pinto Co. | Jersey City, N. J., Whiton Street | Out of business | | Yes, Penna., Erie, C. R. R. of N. J. | |

## L. V. COAL SALES CO. EX. NO. 42—(Continued).

| Name of Lessee | Location of premises | Do we Sell Them | Estimated proportion sold them by other Companies | Are rates in effect from collieries on roads other than L.V.R.R.? If so, what Railroads? | Do L. V. R. R. Tariffs name same rates from collieries not operated by L. V. Coal Co.? |
|---|---|---|---|---|---|
| Lehigh Valley Coal Co. | Jersey City, N. J., Woodward and Grand Streets | | | Yes, Penna., Erie, C. R. R. of N. J. | |
| James Coyle | Jersey City, N. J., Grand Street | No | 100% | Yes, P. R. R., Erie, C. R. R. of N. J. | Yes |
| L. Wertheim Coal & Coke Co. | Jersey City, N. J. corner Pacific Avenue and Grand Street. | Yes | 99% | Yes, P. R. R., Erie, C. R. R. of N. J. | Yes |
| G. N. Robinson | Jutland, N. J. | Yes | No per cent. | No | Yes |
| F. S. Williams | Kendzia, N. Y. | No | 100% | No | Yes |
| D. S. Fox | Lansdown, N. J. | Yes | No per cent. | No | Yes |
| J. B. Donovan | Lacyville, Pa. | Out of business | | | |
| P. J. Headley | La Grange, Pa. | Yes | No per cent. | No | Yes |
| A. P. Covert | Lodi, N. Y. | Yes | No per cent. | No | Yes |
| H. A. Butler (with permission to assign to Jas. B. Bennyhoff) | Mauch Chunk, Pa. | No | 100% | Yes, C. R. R. of N. J. | Yes |
| B. J. Dougherty | Meshoppen, Pa. | No | 100% | No | Yes |
| John Struppler | Montrose, Pa. | Yes | No per cent. | Yes, D. L. & W. | Yes |
| Irene Kohler | MacDougall, N. Y. | No | 100% | No | Yes |
| Lester Shurts and Andrew Shurts | Neshanic, N. J. | Yes | No per cent. | Yes, C. R. R. of N. J. | Yes |
| Lehigh Valley Coal Co. (with permission to sublease to L. V. Coal Sales Co.) | Newark, N. J. | | | | |
| J. H. Lucking | Newark, N. J., Hamburg Place | Yes | 10% | Yes, P. R. R., Erie, C. R. R. of N. J., D. L. & W. | Yes |
| do | do | Yes | 10% | Yes, P. R. R., Erie, C. R. R. of N. J., D. L. & W. | Yes |

10116 10115 10114 10113

## L. V. COAL SALES CO. EX. NO. 42—(Continued).

| Name of Lessee | Location of premises | 10120 Do we Sell Them | 10119 Estimated proportion sold them by other Companies | 10118 Are rates in effect from collieries on roads other than L.V.R.R.? If so, what Railroads? | 10117 Do L. V. R. R. Tariffs name same rates from collieries not operated by L. V. Coal Co.? |
|---|---|---|---|---|---|
| J. H. Lucking | Newark, N. J., Hamburg Place | Yes | 10% | Yes, P. R. R., Erie, C. R. R. of N. J., D. L. & W. | Yes |
| Paul Bros. | do | Yes | No per cent. | Yes, P. R. R., Erie, C. R. R. of N. J., D. L. & W. | Yes |
| do | do | Yes | No per cent. | Yes, P. R. R., Erie, C. R. R. of N. J., D. L. & W. | Yes |
| F. E. Benedict | do | Yes | 10% | Yes, P. R. R., Erie, C. R. R. of N. J., D. L. & W. | Yes |
| Chas. E. Kelly | Newmarket, N. J. | No | 100% | No | Yes |
| Newmarket Coal & Grain Co. | do | Out of business | | | |
| Frank L. Clark | Naples, N. Y., West Avenue | No | 100% | No | Yes |
| G. M. Thompson | New Woodstock, N. Y. | Yes | 20% | No | Yes |
| F. C. Olmstead & Son | North Leroy, N. Y. | Yes | No per cent. | No | Yes |
| Chas. Heisler | Orwigsburg, Pa. | Yes | No per cent. | No | Yes |
| Wm. A. Bird | Pattenburg, N. J. | Yes | 25% | No | Yes |
| W. F. Carty | Phillipsburg, N. J. | No | 100% | Yes, C. R. R. of N. J., Penna., D. L. & W. | |
| M. J. Cannon | Phillipsburg, N. J. | Yes | 10% | Yes, C. R. R. of N. J., D. L. & W. | Yes |
| do | do | do | do | do | do |
| do | do | do | do | do | do |
| Tippitt & Wood | do | No | | | |
| Jas. Fleming | do | Yes | 25% | Yes, C. R. R. of N. J., D. L. & W. | Yes |
| S. J. Becker | Pickton, N. J. | Yes | 25% | No | Yes |
| Bittner Fitzpatrick & Co. | do | Out of business | | | |

## L. V. COAL SALES CO. EX. NO. 42—(Continued).

| Name of Lessee | Location of premises | Do we Sell Them | Estimated proportion sold them by other Companies | Are rates in effect from collieries on roads other than L. V. R. R.? If so, what Railroads? | Do L. V. R. R. Tariffs name same rates from collieries not operated by L. V. Coal Co.? |
|---|---|---|---|---|---|
| F. E. Lord | Mendon, N. Y., Rochester Junction | No | | No | Yes |
| Lehigh Valley Coal Co. (with permission to sublease to L. V. Coal Sales Co.) | Rochester, N. Y. | | | Yes, P. & R., Erie, D. L. & W. | |
| F. E. Lord | Rochester Junction, N. Y. | Yes | | No | Yes |
| Ten Eyck & Harris | South Plainfield, N. J. | Yes | 75% | No | Yes |
| Lehigh Valley Coal Co. (with permission to sublease to L. V. Coal Sales Co.) | do | | | | |
| S. B. Van Ness | Somerville, N. J. | Yes | No per cent. | Yes, C. R. R. of N. J. | Yes |
| Edward Bloom | Sunnyside, N. J. | No | 100% | No | Yes |
| D. Clarey Coal Co. | Sayre, Pa. | Yes | 25% | No | Yes |
| M. A. Paul | Sayre, Pa., Cayuta Street | Out of business | | | |
| Brown & Fassett | Springville, Pa. | Yes | No per cent. | No | Yes |
| Arthur Taylor | Stockerton, Pa. | Out of business | | | |
| J. H. O'Brien | Seneca Falls, N. Y. | Yes | No per cent. | Yes, O. & W., P. R. R., P. & R., D. & H., D. L. & W. | Yes |
| R. C. Rackham | Stanley, N. Y. | Yes | No per cent. | No | Yes |
| C. W. Leet | do | No | 100% | No | Yes |
| Ovid Electric Co. | Taughannock Falls, N. Y. | No | 100% | No | Yes |
| L. J. Wilbur | Victor, N. Y., Maple Avenue | Yes | No per cent. | Yes, O. & W., P. R. R., P. & R., D. & H., D. L. & W. | Yes |
| Frank Brewster | Vienna, N. Y., Kilt's Public Highway | Yes | No per cent. | No | Yes |
| do | Vienna, N. Y. | Yes | No per cent. | No | Yes |

10125

## L. V. COAL SALES CO. EXHIBIT NO. 43.

### LINE SALES OFFICE.

| | Date | Expires | Name | Tons | Size |
|---|---|---|---|---|---|
| | April 1, 1914 | March 31, 1915 | Adelaide Silk Mill | 4000 | Buckwheat |
| | " | " | Coplay Cement Co. | 10000 | Rice |
| | " | " | Koch Bros. | 1200 | Buckwheat |
| | " | " | E. N. Kroninger | 1000 | " |
| | " | " | Lieberman Brew. Co. | 1200 | " |
| | " | " | L. F. Neuweiler | 2000 | " |
| 10126 | " | " | J. Obert Co. | 750 | " |
| | " | " | Prudential Slate Co. | 1200 | " |
| | " | " | Swoyer Bros. B. Co. | 3000 | " |
| | " | " | F. W. Weil | 400 | " |
| | " | " | Warren Mfg. Co. | 15000 | " |
| | " | " | " | 15000 | Rice |
| | " | " | A. H. Balliet | 750 | Buckwheat |
| | " | " | Blue Mtn. S. Co. | 600 | " |
| | " | " | G. H. Bear F. Co. | 600 | Rice |
| | " | " | Blue Vein S. Co. | 600 | Buckwheat |
| | " | " | Coplay Cement Co. | 15000 | Rice |
| | " | " | C. A. Dorney F. Co. | 1200 | Rice |
| | " | " | Gallia Silk Mills | 1500 | Buckwheat |
| | " | " | Koch Bros. | 1200 | " |
| | " | " | Provident S. Co. | 600 | " |
| | " | " | Read & Lovatt | 5000 | Rice |
| 10127 | " | " | Royal Blue S. Co. | 1200 | Rice |
| | " | " | E. J. Schneck | 400 | Rice |
| | " | " | T. H. Shenton | 1500 | Buckwheat |
| | " | " | Weatherly Boro. | 2000 | Rice |
| | " | " | Trenton Potteries | 5000 | Broken |
| | " | " | " | 8000 | Egg |
| | " | " | Lehigh C. W. & A. Co. | 3000 | Rice |
| | " | " | Greenwood Pottery | 9500 | Egg |
| | " | " | L. V. Cold Storage Co. | 2500 | Buckwheat |
| | " | " | Uhls Brewery | 1500 | " |
| | " | " | Lehigh Valley Silk Mills | 5500 | " |
| | " | " | W. Kueblers | 1600 | " |
| | " | " | " | 2100 | Rice |
| | " | " | Gallia Silk Mills | 1500 | Buckwheat |
| | " | " | Baker Bros. | 15000 | " |
| 10128 | " | " | Bethlehem F. & M. | 1200 | Broken |
| | " | " | Federal Creo. Co. | 1000/1200 | Buckwheat |
| | " | " | Mahlon Ritter | 4000 | Pea |
| | " | " | So. Bm. Brew. Co. | 1500 | Buckwheat |
| | " | " | L. A. Snyder | 3000 | Pea |
| | " | " | " | 1500 | Buckwheat |
| | " | " | Artificial Ice Co. | 1000 | " |
| | " | " | Post-Sheldon | 850 | " |
| | " | " | Allentown-Bm. Gas | 3000/4000 | Broken |
| | " | " | Hartzell & Godshall | 1000 | Buckwheat |
| | " | " | Tattersall Co. | 2000 | Pea Coal |
| | " | " | Baker Bros. | 5000 | Buckwheat |
| | " | " | New Jersey Northern | 500 | Broken |
| | " | " | Victor-Balata & T. | 400/500 | Buckwheat |
| | " | " | Allentown S. H. & P. | 12000 | " |

## L. V. COAL SALES CO. EX. NO. 43—(Continued). 10129

LINE SALES OFFICE.

| Date | Expires | Name | Tons | Size |
|---|---|---|---|---|
| April 1, 1914 | March 31, 1915 | L. A. Snyder | 1500 | Buckwheat |
| " | " | Schuylkill Co. | 6000 | " |
| " | " | " | 500 | Stove |
| " | " | Peoples Light Co. | 1000 | Broken |
| " | " | " | 600 | Rice |
| " | " | Wilkes Barre Co. | 20000 | Buckwheat |
| Jan. 1st, 1914 | Jan. 1st, 1915 | Hartzell & Moss | 1800 | Buckwheat |
| | | | 212750 | |

10130

10131

10132

10133 **L. V. COAL SALES CO. EX. NO. 43—(Continued).**

PHILADELPHIA OFFICE.

| | Date | Expires | Name | Tons | Size |
|---|---|---|---|---|---|
| | Feb. 1, 1914 | Dec. 31, 1914 | Phila. Suburban G. & E. Co. | 650/750 | Broken |
| | Feb. 10, 1914 | Dec. 31, 1914 | Geo. B. Newton C. Co. | 2600 | Rice |
| | Apr. 4, 1914 | Apr. 1, 1915 | Owen Letter's Sons | 13700 | Buckwheat |
| | " | " | " | 5100 | Rice |
| | May 1, 1914 | Apr. 1, 1915 | Hall Bros. & Co. | 8000 | Broken |
| | May 1, 1914 | Mar. 31, 1915 | " 10000- | 12000 | Broken |
| | Apr. 20, 1914 | Apr. 1, 1915 | Williams Darnell & Co. | 500 | Broken |
| 10134 | May 15, 1914 | Apr. 1, 1915 | " | 400 | Broken |
| | June 1, 1914 | Apr. 1, 1915 | Kerr-Huefftle C. Co. | 4200 | Buckwheat |
| | | | | 47250 | |

BUFFALO OFFICE.

| | | | | | |
|---|---|---|---|---|---|
| | Apr. 1, 1914 | Mar. 31, 1915 | Ithaca Fuel Sup. Co. | 1000 | Buckwheat |
| | " | " | Geo. J. Meyer Malt. Co. | 8000 | " |
| | " | " | Jno Kam Malting Co. | 3500 | Pea |
| | " | " | Buffalo Bolt Co. | 1800 | Pea |
| | " | " | " | 1800 | Buckwheat |
| | " | " | Village of Groton | 1500 | " |
| | " | " | Standard Typewriter Co. | 1500 | " |
| | " | " | West-Crescent Fuel | 1000 | " |
| 10135 | " | " | H. F. Drake Coal Co. | 500 | Stove |
| | " | " | " | 500 | Nut |
| | " | " | " | 1000 | Buckwheat |
| | " | " | N. Y. C. & H. R. R. R. Co. | 2500 | Asstd. sizes |
| | " | " | Thos. Myles' Sons | 3500 | Egg |
| | " | " | W. E. Besancon | 400 | Pea |
| | | | | 28500 | |

SYRACUSE OFFICE.

| | | | | | |
|---|---|---|---|---|---|
| | Apr. 8, 1914 | Mar. 31, 1915 | J. S. Mitchell & Co. | 500 | Broken |
| | Mar. 11, 1914 | " | Rome Brass & Copr. Co. | 6000 | " |
| | June 6, 1914 | " | " | 4000 | Barley |
| | Mar. 24, 1914 | " | Canadian Trenton Potteries | 3500 | Egg |
| 10136 | Mar. 11, 1914 | " | C. L. Amos Coal Co. | 2000 | Broken |
| | Apr. 1, 1914 | " | Dawson Coal Co. | 15000 | Asstd. sizes |
| | Apr. 11, 1914 | " | J. G. Butterworth Co. | 2000 | Broken |
| | Mar. 16, 1914 | " | Benton Coal Co. | 1000 | Buckwheat |
| | Mar. 17, 1914 | " | B. S. Fox Co. | 1000 | " |
| | Apr. 3, 1914 | " | Dooley Coal Co. | 1800 | Broken |
| | " | " | " | 400 | Nut |
| | " | " | " | 800 | Pea |
| | Apr. 17, 1914 | " | Williams & Co. | 200 | Buckwheat |
| | Apr. 1, 1914 | " | W. A. Dougherty. | 3000 | Barley |
| | | | | 41200 | |

# L. V. COAL SALES CO. EXHIBIT NO. 44. 10137

NEW YORK OFFICE July 24th, 1914.

CONTRACTS FOR BROKEN COAL

| DATE MADE | EXPIRES | NAME | DESTINATION | TONS | |
|---|---|---|---|---|---|
| 4/ 1/14 | 3/31/15 | Athol Coal Co., | Athol, Mass. | 500 | |
| " | " | Brooklyn Union Gas Co., | Brooklyn, N. Y. | 75,000 | |
| " | " | Benedict, Downs & Co., | New Haven, Conn., | 25,000 | |
| 4/ 7/14 | " | Benedict & Pardee Co., | " " " | 25,000 | |
| 4/10/14 | " | Berkshire Coal & Grain Co., | North Adams, Mass., | 1,000 | 10138 |
| 4/ 1/14 | " | Bostwick Bros., | St. Albans, Vt., | 500 | |
| 4/13/14 | " | Claflin-Sumner Coal Co., | Worcester, Mass., | 5,000 | |
| 4/ 1/14 | " | Converse Co., M. S., | Springfield, Mass., | 3,000 | |
| 4/ 1/14 | " | Corona Coal Co., | Corona, L. I., | 2,000 | |
| " | " | Chappell Co., FH&AH., | New London, Ct., | 5,000 | |
| 4/ 2/14 | " | Elmhurst Coal Co., | Elmhurst, L. I., | 2,000 | |
| 4/ 1/14 | " | Fonda Co., W. B., | St. Albans, Vt., | 300 | |
| " | " | Hudson Fuel Co., | Yonkers, N. Y., | 500 | |
| " | " | Haff, W. P. W., | New York City, | 5,000 | |
| " | " | Lehigh Coal & Supply Co., | Hoboken, N. J., | 1,000 | |
| " | " | Leonard Bros., | New York City, | 3,000 | |
| 4/20/14 | " | Myers & Son, H. W., | Bennington, Vt., | 500 | |
| 4/ 1/14 | " | McCann's Son Co., T., | Jersey City, N. J., | 500 | |
| 6/18/14 | " | McEnany, J. H., | Pittsfield, Mass., | 500 | |
| 4/ 1/14 | " | Muchmore & Hotchkiss, | Summit, N. J., | 600 | |
| " | " | Madeira, Hill & Co., | New York City, | 2,400 | 10139 |
| " | " | Nelson Bros. Coal Co., | Brooklyn, N. Y., | 1,000 | |
| 4/ 7/14 | " | National Biscuit Co., | New York City, | 6,000 | |
| 4/ 7/14 | " | Nichols, W. J., | North Adams, Mass., | 500 | |
| 4/ 1/14 | " | Nelson & Son, Z. O., | Brooklyn, N. Y., | 2,000 | |
| " | " | Nassau Coal Co., | " " | 1,000 | |
| " | " | Osgood & Son, E., | Gardner, Mass., | 500 | |
| " | " | Public Service Gas Co., | Jersey City, N. J., | 60,000 | |
| 4/ 7/14 | " | Parrish, Phillips & Co., | New York City, | 5,000 | |
| 4/23/14 | " | Robbins Coal Co., | Babylon, L. I., | 500 | |
| 4/ 9/14 | " | Reimer, Rudolph, | Brooklyn, N. Y., | 1,000 | |
| 4/ 1/14 | " | Roden & Son, Inc., G. M., | Spuyten Duyvil, N. Y., | 5,000 | |
| 4/ 1/14 | " | Rose & Son, Miles, | New Brunswick, N. J., | 5,000 | |
| 4/ 7/14 | " | Stuart Coal Co., C. M., | Albany, N. Y., | 1,000 | |
| 4/ 1/14 | " | Schwiers, F. Wm., | Woodlawn, N. Y. | 500 | |
| " | " | Streat Coal Co., | New York City, | 10,000 | |
| " | " | Stokes & Sons, Inc., T. | " " " | 1,500 | 10140 |
| 4/ 7/14 | " | Schroeder & Horstmann, | Brooklyn, N. Y., | 1,000 | |
| 4/ 1/14 | " | Thedford-Eltz Coal Co., | New York City, | 5,000 | |
| " | " | Taylor, Thos. F., | Brooklyn, N. Y., | 5,000 | |
| 4/ 7/14 | " | Vincent Bros., | Bridgeport, Conn., | 3,500 | |
| " | " | Whitney & Kemmerer, | New York City, | 2,500 | |
| 4/ 1/14 | " | Williams, Wells & Co., | New Haven, Conn., | 5,000 | |
| " | " | Williamson & Warren Coal Co., | North Adams, Mass., | 2,000 | |
| " | " | Waterbury & Son, D. | Stamford, Conn., | 5,000 | |
| 4/10/14 | " | Ward Coal Co., Thos., | New York City, | 1,000 | |
| 4/ 2/14 | " | Young Bros. Coal Co., R. | White Plains, N. Y., | 500 | |
| 4/ 1/14 | " | Young Co., E. L., | Jersey City, N. J., | 5,000 | |
| | | | TOTAL | 294,300 | |

10141 **L. V. COAL SALES CO. EX. NO. 44—(Continued).**

NEW YORK OFFICE July 24th, 1914.

CONTRACTS FOR PEA COAL

| | DATE MADE | EXPIRES | NAME | DESTINATION | TONS |
|---|---|---|---|---|---|
| | 4/ 1/14 | 3/31/15 | Brackett & Son, A., | Brighton, Mass., | 300 |
| | " | " | Bay State Coal Co., | Worcester, " | 750 |
| | " | " | Benedict, Downs & Co., | New Haven, Conn., | 15,000 |
| | 4/ 7/14 | " | Benedict & Pardee Co., | " " " | 15,000 |
| | 4/ 1/14 | " | Chappell Co., F.H.&A.H., | New London, Conn., | 2,000 |
| | " | " | City Coal Co., | New Bedford, Mass., | 1,000 |
| 10142 | 4/ 7/14 | " | Consumers Coal Co., | Hoboken, N. J., | 4,000 |
| | 4/ 1/14 | " | Doe & Little Co., | Providence, R. I., | 2,000 |
| | " | " | Eastern Coal Co., | " " | 3,000 |
| | " | " | Fisher-Churchill Co., | Dedham, Mass., | 300 |
| | " | " | Fitchburg Coal Co., | Fitchburg, Mass., | 1,000 |
| | " | " | Flagg Ice, Coal&Coke Co., | Brockton, Mass., | 500 |
| | " | " | Frost Bros. Coal Co., | Brooklyn, N. Y., | 5,000 |
| | " | " | Freeman & Son, Manning, | Metuchen, N. J., | 1,500 |
| | " | " | Gordon & Son, R., | New York City, | 10,000 |
| | " | " | Greenville Coal & Ice Co., | Greenville, N. J., | 4,000 |
| | 4/ 9/14 | " | Haney, Geo. J., | Perth Amboy, N. J., | 11,000 |
| | 4/ 1/14 | " | Hadley Coal Co., | Leominster, Mass., | 500 |
| | " | " | Harlow & Son, W. H., | Fairmount, Mass., | 500 |
| | " | " | Holden, J. Henry, | Ossining, N. Y., | 3,000 |
| | " | " | Hagedorn Bros., | New York City, | 3,000 |
| | " | " | Holmes Coal Co., | New Bedford, Mass., | 1,500 |
| 10143 | " | " | Lehigh Coal & Supply Co., | Weehawken, N. J., | 5,000 |
| | " | " | McCann's Son Co., T., | Hoboken, N. J., | 1,500 |
| | " | " | McDuff Coal & Lbr. Co., | New Bedford, Mass., | 500 |
| | " | " | Newell Coal & Lbr. Co., | Pawtucket, R. I., | 1,000 |
| | " | " | Nassau Coal Co., | Brooklyn, N. Y., | 2,000 |
| | " | " | Providence Coal Co., | Providence, R. I., | 1,500 |
| | " | " | Parkman, A. L., | Leominster, Mass., | 600 |
| | " | " | Peoples Coal Co., | Worcester, Mass., | 500 |
| | 4/ 9/14 | " | Reimer, Rudolph. | Brooklyn, N. Y., | 2,500 |
| | 4/ 1/14 | " | Roden & Son, Inc., G. M., | Spuyten Duyvil, N. Y., | 2,500 |
| | " | " | Ross & Son, Miles, | New Brunswick, N. J., | 95,000 |
| | " | " | Street Coal Co., | New York City, | 8,000 |
| | 4/ 2/14 | " | Skidmore's Sons, J., | " " " | 10,000 |
| | 4/ 7/14 | " | Schroeder & Horstmann, | Brooklyn, N. Y., | 1,000 |
| | 4/ 1/14 | " | Smith Co., R. E., | Providence, R. I., | 800 |
| | " | " | Schwiers, F. Wm., | Woodlawn, N. Y., | 2,000 |
| 10144 | 4/ 3/14 | " | Standard Oil Co., (N. J.), | Constable Hook, N. J., | 13,000 |
| | 4/ 2/14 | " | Thedford-Eltz Coal Co., | New York City, | 6,000 |
| | 4/ 1/14 | " | Taylor, Thos. F., | Brooklyn, N. Y., | 2,500 |
| | 4/ 7/14 | " | Vincent Bros., | Bridgeport, Conn., | 1,500 |
| | 4/ 9/14 | " | VanHorsen & Bertine, | Mt. Vernon, N. Y., | 1,000 |
| | 4/ 1/14 | " | Williams, Wells & Co., | New Haven, Conn., | 1,000 |
| | " | " | Waterbury & Son, D., | Stamford, Conn., | 1,500 |
| | " | " | White & Son, Inc., J. R., | Providence, R. I., | 6,000 |
| | 6/10/14 | " | Ward Coal Co., Thos., | New York City, | 3,000 |
| | 4/ 1/14 | " | Yerks & Co., | Yonkers, N. Y., | 1,500 |
| | 4/ 2/14 | " | Young Bros. Coal Co., R., | White Plains, N. Y., | 2,500 |
| | 4/ 1/14 | " | Young Co., E. L., | Jersey City, N. J., | 25,000 |
| | " | " | Zior & Townley, | Elizabeth, N. J., | 1,000 |
| | | | | TOTAL | 284,750 |

## L. V. COAL SALES CO. EX. NO. 44—(Continued). 10145

NEW YORK OFFICE July 20th, 1914.

CONTRACTS FOR BUCKWHEAT COAL

| DATE MADE | EXPIRES | NAME | DESTINATION | TONS | |
|---|---|---|---|---|---|
| 4/ 1/14 | 3/31/15 | Benedict, Downs & Co., | New Haven, Conn., | 15,000 | |
| 4/ 2/14 | " | Barrett, Nephews & Co., | New Brighton, S. I., | 7,500 | |
| 4/ 7/14 | " | Benedict & Pardee Co., | New Haven, Conn., | 5,000 | |
| 4/ 8/14 | " | Browning, King & Co., | New York City, | 1,500 | |
| 4/ 7/14 | " | Consumers Coal Co., | Weehawken, N. J., | 5,000 | 10146 |
| 4/ 3/14 | " | Elmhurst Coal Co., | Elmhurst, L. I., | 5,000 | |
| 4/ 9/14 | " | Field & White Co., | Powerville, N. J., | 3,000 | |
| 4/ 1/14 | " | Frost Bros. Coal Co., | Brooklyn, N. Y., | 6,000 | |
| 4/ 1/14 | " | Gordon & Son, R., | New York City, | 10,000 | |
| 4/ 9/14 | " | Haney, Geo. J., | Perth Amboy, N. J., | 5,000 | |
| 4/ 7/14 | " | Haff, W. P. W., | New York City, | 25,000 | |
| 4/ 1/14 | " | McCann's Son Co., T., | Hoboken, N. J., | 1,500 | |
| " | " | Nassau Coal Co., | Brooklyn, N. Y., | 1,000 | |
| 4/ 8/14 | " | Pendleton, O. F., | Stonington, Conn., | 3,000 | |
| 4/ 9/14 | " | Reimer, Rudolph, | Brooklyn, N. Y., | 2,500 | |
| 4/ 1/14 | " | Roden & Son, Inc., G. M. | Spuyten Duyvil, N. Y., | 1,500 | |
| " | " | Ross & Son, Miles, | New Brunswick, N. J., | 15,000 | |
| " | " | Street Coal Co., | New York City, | 4,000 | |
| | | | " " " | 12,000 | |
| 4/ 2/14 | " | Skidmore's Sons, J., | | 1,000 | |
| 4/ 7/14 | " | Schroeder & Horstmann, | Brooklyn, N. Y. | 1,000 | |
| 4/ 1/14 | " | Sterling, J. W., | Harrison, N. Y., | 1,575 | 10147 |
| 1/ 1/14 | 12/31/14 | Standard Oil Co., (NJ) | Constable Hook & Communipaw, N. J., | 25,000 | |
| 4/ 2/14 | 3/31/15 | Thedford-Eltz Coal Co., | New York City, | 6,000 | |
| 4/ 1/14 | " | Taylor, Thos. F., | Brooklyn, N. Y., | 2,500 | |
| 4/ 1/14 | " | Waterbury & Son, D., | Stamford, Ct., | 1,000 | |
| " | " | Williams, Wells & Co., | New Haven, Conn., | 1,000 | |
| " | " | Young Co., E. L., | Jersey City, N. J., | 65,000 | |
| | | | TOTAL | 241,575 | |

10148

10157 **L. V. COAL SALES CO. EXHIBIT NO. 45.**

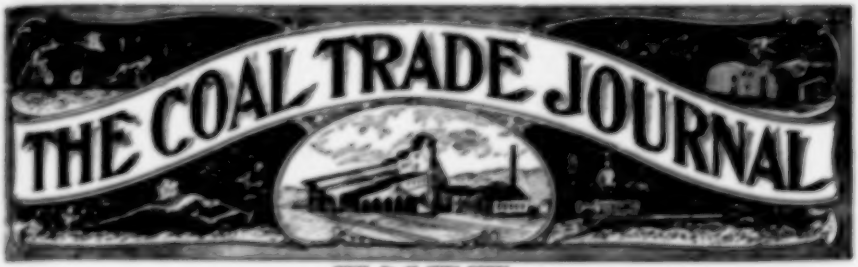
CHICAGO OFFICE

| | Date | Expires | Name | Tons | Size |
|---|---|---|---|---|---|
| | Apr. 1, 1914 | Mar. 31, 1915 | Art Institute | 1500 | Buckwheat |
| | Apr. 1, 1914 | Mar. 31, 1915 | Acme Malting Co. | 4000 | " |
| | Apr. 1, 1914 | Mar. 31, 1915 | American Mltg. Co. | 2500 | " |
| | July 1, 1914 | June 30, 1915 | Calumet Mltg. Co. | 750 | " |
| | Apr. 1, 1914 | Mar. 31, 1915 | Northwestern Malt & Gr. Co. | 2500 | " |
| | " | " | Louis Pfeiffer | 150 | " |
| 10158 | " | " | Fortune Bros. | 600 | " |
| | " | " | D. Rutter & Co. | 1400 | " |
| | " | " | [redacted] | 350 | " |
| | " | " | Cross Creek Coal Co. | 700 | " |
| | " | " | Bunge Bros. | 8000 | Egg |
| | | | | 19450 | |

10159

10160

## L. V. COAL SALES CO. EXHIBIT NO. 46.




Vol. LV. No. 25.
Established April 21, 1880

New York, June 17, 1926.

$3.00 a Year
Single Copies 10 Cents

Lehigh Valley Anthracite will satisfy you

## L. V. COAL SALES CO. EXHIBIT NO. 48. 10169

P. S. C.- 2 N. Y. No. A-106.
Cancels P. S. C.-2 N. Y. No. A-88.

No Supplement to this Tariff will be issued except for the purpose of canceling the Tariff.

TARIFF I. C. C. No. D-664.
Cancels Tariff I. C. C. No. D-601.

P. S. C.-Pa. Tariff No. H-12.

# Lehigh Valley Railroad Company

10170

LOCAL SWITCHING TARIFF

ON

**Anthracite Coal, Anthracite Briquettes, Anthracite Boulets, Bituminous Coal, Cannel Coal and Coke (except Petroleum Coke)**

IN FULL CARLOADS.

(For Minimum Weight see Tariff I. C. C. No. D-566, P. S. C.-2 N. Y. No. A-76, or Reissues thereof.) 10171

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For Demurrage Regulations see Tariff I. C. C. No. F-16, P. S. C.-2 N. Y. No. G-14, Supplements thereto and Reissues thereof.

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ISSUED APRIL 8, 1914. EFFECTIVE MAY 9, 1914. 10172

---

ISSUED BY

C. A. BLOOD, Freight Traffic Manager, New York, N. Y.

WM. T. GRIER, General Coal and Freight Agent, New York, N. Y.

T. CLEM. BECK, Chief of Tariff Bureau, New York, N. Y.

(M138278)

10173 **L. V. COAL SALES CO. EX. NO. 48—(Continued).**

The following charges for switching to trestles and yards of coal dealers and sidings of industries, or others requiring like deliveries, located within yard limits on the line of this Company at the points specified, will be assessed on Interstate and New York or Pennsylvania Intrastate shipments of **Anthracite Coal, Anthracite Briquettes, Anthracite Boulets, Bituminous Coal, Cannel Coal** and **Coke** (except Petroleum Coke), in Carloads, minimum weight as shown in Tariff I. C. C. No. D-566, P. S. C.-2 N. Y. No. A-76, or reissues thereof, arriving at the stations shown via connecting lines:

10174

| STATION | Rates in Cents per Ton of 2240 pounds on Anthracite Coal and Anthracite Briquettes and Boulets. | Rates in Cents per Ton of 2240 pounds on Bituminous Coal. | Rates in Cents per Ton of 2000 pounds on Coke (except Petroleum Coke.) |
|---|---|---|---|
| Auburn.....N. Y. | 30 | 30 | 30 |
| Camden..... " | 30 | 30 | 30 |
| Canastota..... " | 30 | 30 | 30 |
| Cayuga..... " | 30 | 30 | 30 |
| Cortland..... " | 30 | 30 | 30 |
| Depew..... " | 30 | 30 | 30 |
| Elmira..... " | 30 | 30 | 30 |
| Geneva..... " | 30 | 30 | 30 |
| Ithaca..... " | 30 | 30 | 30 |
| 10175 Mortimer..... " | 30 | 30 | 30 |
| Owego..... " | 30 | 30 | 30 |
| Perth Amboy.....N. J. | .. | 30 | .. |
| Pittsburgh & Lehigh Junction.....N. Y. | 30 | 30 | 30 |
| Rippleton..... " | 30 | 30 | 30 |
| Satterfield.....Pa. | 30 | 30 | 30 |
| Sterling.....N. Y. | 30 | 30 | 30 |
| Sylvan Junction..... " | 30 | 30 | 30 |
| Towanda.....Pa. | 30 | 30 | 30 |
| Wadsworth Junction.....N. Y. | 30 | 30 | 30 |
| Waverly..... " | 30 | 30 | 30 |
| Weedsport..... " | 30 | 30 | 30 |

10176 A rate of 15 cents per ton of 2240 pounds on coal and 15 cents per ton of 2000 pounds on coke (except Petroleum Coke) will be charged in addition to the above named rates upon shipments returned in the original car to the connecting line.

## L. V. COAL SALES CO. EXHIBIT NO. 49. 10177

LEHIGH VALLEY COAL SALES COMPANY.

CALENDAR YEAR 1913.

| | Wilgus Valuation | Rent, Taxes Maintenance Insurance. | % of Interest on Valuation. |
|---|---|---|---|
| So. Plainfield | $ 256,170.00 | $ 19,298.41 | 8 |
| Newark, So. Broad St. | 226,363.00 | 12,501.43 | 6 |
| Rochester Trestle | 90,101.00 | 5,786.19 | 6 |
| Jersey City, Grand St. | 71,821.00 | 4,049.82 | 6 |
| Hudsondale | 258,722.00 | 16,150.63 | 6 |
| Ransom | 473,795.00 | 25,681.17 | 5 |
| Wende, Wyoming | 318,953.00 | 17,749.36 | 6 |
| Riverside Dk. Newark | 59,718.00 | 4,249.56 | 7 |
| Irvington Yard, " | 38,380.00 | 2,113.53 | 6 |
| Ann St. Yard | 133,176.00 | 7,841.20 | 6 |
| Clybourn Ave. | 224,155.00 | 14,530.83 | 6 |
| Chicago Ave. | 202,164.00 | 13,750.03 | 7 |
| Calumet Dock | 726,478.00 | 43,188.28 | 6 |
| Canal St. Milwaukee | 541,635.00 | 39,419.79 | 7 |
| Superior Dock | 323,192.00 | 27,919.01 | 9 |
| Arcade Street | 21,315.00 | 1,671.92 | 8 |
| | $3,966,138.00 | $255,901.16 | 7 |

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Accounting Department,

NEW YORK, July 29, 1914. 10179

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## L. V. COAL SALES CO. EXHIBIT NO. 50.

### LEHIGH VALLEY COAL SALES COMPANY

RECEIPTS AND EXPENDITURES MARCH AND APRIL, 1912.

| | | |
|---|---|---|
| RECEIPTS MARCH 1912: | | |
| From Subscription to Capital Stock | $6,060,800.00 | $ |
| " Loan from Drexel & Co. | 1,000,000.00 | |
| " The Lehigh Valley Coal Co., | | |
| " Collections on accounts purchased by Sales Co. | 3,175,256.44 | |
| " Collections for Coal Sales accounts purchased and our own sales | 1,064,506.18 | |
| " Miscellaneous | 969.77 | $11,301,532.39 |
| 10182 | | |
| PAYMENTS: MARCH 1912: | | |
| Per Audited Vouchers | $7,505,395.70 | |
| " Yard and Dock Pay Rolls | 6,669.28 | |
| " Sales Agents Drafts | 26,299.10 | |
| " Miscellaneous | 234.52 | $ 7,538,598.60 |
| CASH ON HAND MARCH 31, 1912 PER CASH BOOK: | | $ 3,762,933.79 |
| RECEIPTS APRIL 1912: | | |
| From Collections for Coal Sales accounts purchased and our own sales. | $2,753,554.84 | |
| " The Lehigh Valley Coal Co. collections on accounts purchased by Sales Co. | 1,423,510.19 | |
| " Miscellaneous | 2,842.84 | $ 4,179,907.87 |
| 10183 | | $ 7,942,841.66 |
| PAYMENTS, APRIL 1912. | | |
| Per Audited Vouchers | $3,850,506.21 | |
| " Salary Rolls | 31,057.15 | |
| " Yard and Dock Rolls | 18,179.95 | |
| " Miscellaneous | 33,972.17 | $ 3,933,715.48 |
| CASH ON HAND APRIL 30, 1912: PER CASH BOOK: | | $4,009,126.18 |

Accounting Department,

New York, July 29, 1914.

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## L. V. COAL SALES CO. EXHIBIT NO. 51.

10185

REPAIRS AND RENEWALS AT SOUTH PLAINFIELD STORAGE

MARCH 1ST, 1912, TO DEC. 31ST, INCL.

| | Labor. | Material. | Total. |
|---|---|---|---|
| March, 1912, | $ x | $ 116.28 | $ 116.28 |
| April, " | 288.50 | 237.80 | 526.30 |
| May, " | 612.07 | 330.41 | 942.48 |
| June, " | 465.80 | 378.45 | 844.25 |
| July, " | 416.04 | 572.35 | 988.39 |
| August, " | 685.07 | 256.66 | 941.73 |
| September, " | 353.54 | 204.01 | 557.55 |
| October, " | 343.52 | 13.40 | 356.92 |
| November, " | 343.57 | 125.75 | 469.32 |
| December, " | 301.65 | 369.44 | 671.09 |
| TOTAL, | $3,809.76 | $2,604.55 | $6,414.31 |

10186

Accounting Department,

NEW YORK, July 29th, 1914.

## L. V. COAL SALES CO. EXHIBIT NO. 52.

PREMIUM PAID FOR INSURANCE ON COAL IN STOCK.

| | Average Valuation | Net Premium Paid. |
|---|---|---|
| Period March 1st. 1912 to July 31, 1912, | $713,615 | $1,335.26 |
| Year August 1st, 1912 to July 31, 1913 | 683,031 | 5,805.77 |
| Total premium paid Mar. 1, 1912 to July 31, 1913 | | $7,141.03 |

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## L. V. COAL SALES CO. EXHIBIT NO. 53.

LEHIGH VALLEY COAL SALES COMPANY.

| | |
|---|---|
| GROSS AMOUNT OF BUSINESS, | |
| 13 Months Ended March 31, 1913, | $42,546,956.32 |
| 12 Months Ended March 31, 1914, | 39,949,629.69 |
| TOTAL:— | $82,496,586.01 |
| DIVIDENDS PAID: | |
| 2½% October 21, 1912, | $ 151,307.50 |
| 2½% January 20, 1913, | 151,391.25 |
| 19190 2½% April 21, 1913, | 151,417.50 |
| 2½% July 21, 1913, | 151,425.00 |
| 2½% October 20, 1913, | 151,430.00 |
| 2½% January 10, 1914, | 151,443.75 |
| | $ 908,415.00 |
| Special 25% January 17, 1914, | 1,514,425.00 |
| TOTAL:— | $2,422,840.00 |

Equivalent to less than 3% on the Gross Amount of Business Transacted.

10191

## L. V. COAL SALES CO. EXHIBIT NO. 54.

LEHIGH VALLEY COAL SALES COMPANY.

CALENDAR YEAR 1913.

| | Wilgus Valuation | Rent, Taxes Maintenance Insurance. | % of Interest on Valuation |
|---|---|---|---|
| So. Plainfield | $ 256,170.00 | $ 19,298.41 | 7.53 |
| Newark, So. Broad St. | 226,363.00 | 12,501.43 | 5.52 |
| Rochester Trestle | 90,101.00 | 5,786.19 | 6.42 |
| Jersey City, Grand St. | 71,821.00 | 4,049.82 | 5.63 |
| Hudsondale | 258,722.00 | 16,150.63 | 6.24 |
| Ransom | 473,795.00 | 25,681.17 | 5.42 |
| 10192 Wende, Wyoming | 318,953.00 | 17,749.36 | 5.56 |
| Riverside Dk. Newark | 59,718.00 | 4,249.56 | 7.11 |
| Irvington Yard | 38,380.00 | 2,113.53 | 5.50 |
| Ann St. Yard | 133,176.00 | 7,841.20 | 5.88 |
| Clybourn Ave. | 224,155.00 | 14,530.83 | 6.48 |
| Chicago Ave. | 202,164.00 | 13,750.03 | 6.80 |
| Calumet Dock | 726,478.00 | 43,188.28 | 5.94 |
| Canal St. Milwaukee | 541,635.00 | 39,419.79 | 7.27 |
| Superior Dock | 323,192.00 | 27,919.01 | 8.63 |
| Arcade Street | 21,315.00 | 1,671.92 | 7.84 |
| | $3,966,138.00 | $255,901.16 | 6.45 |

Accounting Department,
New York, July 29, 1914.

## L. V. COAL SALES CO. EXHIBIT NO. 55. 10193

346 Original Petition.

### PLEADINGS.

ORIGINAL PETITION.

IN THE

### DISTRICT COURT OF THE UNITED STATES

FOR THE DISTRICT OF NEW JERSEY. 10194

THE UNITED STATES OF AMERICA,
Petitioner,

*v.*

THE DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY and THE DELAWARE, LACKAWANNA & WESTERN COAL COMPANY,
Defendants. 10195

### ORIGINAL PETITION.

*To the Honorable the Judges of the District Court of the United States for the District of New Jersey sitting in equity.*

10196

I.

Your petitioner, the United States of America, by John B. Vreeland, its attorney for the district of New Jersey, acting under the direction of the Attorney General, brings this proceeding in equity against The Delaware, Lackawanna & Western Railroad Company, a Pennsylvania corporation, and The Delaware, Lackawanna & Western Coal Company, a New Jersey corporation, for

10197 the purpose of preventing and restraining them from further violating the provisions of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies" (the antitrust act) and also the provisions of the



commodities clause of Section 1 of the Act to regulate commerce as amended June 29, 1906 (34 Stat., 584),
10198 which prohibit a railroad company from transporting in interstate or foreign commerce articles or commodities, other than timber and the manufactured products thereof, manufactured, mined, or produced by it, or under its authority, or which it may own in whole, or in part, or in which it may have an interest, direct or indirect, except those intended for use in its business as a common carrier.

And upon information and belief, your petitioner alleges and shows—

10199 II.

Defendant, The Delaware, Lackawanna & Western Coal Company, is a corporation organized and existing under the laws of New Jersey, with its principal office at Hoboken therein and outstanding capital stock of $6,590,700. Among the objects for which it was established and the perpetual powers granted to it are the following, shortly stated:

10200 To purchase, mine, produce, prepare, manufacture, and sell or deal in coal, coke, and other commodities and to act as sales and purchasing agent or factor of other corporations.

To purchase, buy, or lease coal or ore mines and all manner of interest in lands, and to develop, improve, lease, and dispose of the same.

To buy, build, construct, or otherwise acquire and maintain and operate piers, docks, and all necessary conveniences and means of transportation incidental to carrying on the business of buy-

ing, selling, and trafficking in coal and other com- 10201
modities and for the development and operation of lands and mines.

To acquire by purchase or otherwise and to hold as investments and to guarantee the principal, interest, and dividends of the bonds or shares of other corporations.



To aid any corporation or association whose 10202
securities it may hold and to conduct its business in the State of New Jersey and in all other States and foreign countries.

It is now and, since the second day of August, 1909, has been engaged in the business of dealing in anthracite coal within the States of New Jersey, Pennsylvania, and New York at the various places, towns, and cities reached by the lines of The Delaware, Lackawanna & Western Railroad, especially at Hoboken, New Jersey, where are situated the New York Harbor terminals to 10203
which that railroad constantly transports from the mines in Pennsylvania large quantities (to wit, 3,000,000 tons per annum) of the coals accepted there by the defendant Coal Company under the terms of the agreement hereinafter described. It also has agents and offices in other States and carries on business therein.

The Delaware, Lackawanna & Western Railroad Company is a corporation duly organized and existing under and by virtue of the laws of Pennsylvania, with offices therein at Scranton, also in New York City, and within 10204
this judicial district. It is authorized by its franchises to carry on the business of a common carrier, to own and operate coal mines in the State of Pennsylvania, and to buy and sell coal. For a long time it has owned, leased, and operated as one system lines of railroad in the States of New Jersey, Pennsylvania, and New York, connecting among other places therein Hoboken, Scranton and Northumberland, and Utica, Binghamton, Oswego, and Buffalo; also many lateral and branch lines,

10205 some of which reach the anthracite coal mines owned by it and also some owned by others lying within the Counties of Lackawanna and Luzerne, Pennsylvania, and in the Wyoming region of the anthracite coal fields. Over such lines this defendant is now and for thirty years and more last past has been engaged in interstate and foreign commerce as a common carrier of passengers and freight, especially of anthracite coal not intended for its own use. Over some of them it has been

10206 

so engaged for more than fifty years. It likewise owns and operates a fleet of marine barges which carry anthracite coal from Hoboken, N. J., to points in New England.

At various times (commencing prior to 1860) the defendant Railroad Company has acquired by purchase or lease and now holds some 15,000 acres of lands containing anthracite coal lying in said Lackawanna and Luzerne Counties. Approximately one-half of these were
10207 acquired after January 1st, 1874, when the present constitution of Pennsylvania became effective. That instrument, Article XVII, Section 5, provides:

> No incorporated company doing the business of a common carrier shall, directly or indirectly, prosecute or engage in mining or manufacturing articles for transportation over its works; nor shall such company, directly or indirectly, engage in any other business than that of common car-
> 10208 riers, or hold or acquire lands, freehold or leasehold, directly or indirectly, except such as shall be necessary for carrying on its business; but any mining or manufacturing company may carry the products of its mines and manufactories on its railroad or canal not exceeding fifty miles in length.

Upon the lands so acquired and held there are many collieries which have long been and now are being constantly operated by the defendant Railroad Company in

its own name; and at all times the coals therefrom, when 10209
ready for transportation, have been mined and produced by and the full legal title thereto vested in it. Their annual output has been at the approximate rate of 7,000,000 to 10,000,000 tons; and this probably will continue indefinitely. Great quantities of the same, intended for sale and distribution in different States, to wit, from 7,000,000 to 8,000,000 tons annually, not necessary or intended for defendant's use in its business as a common carrier, have long been and now are loaded upon its cars at the mines or adjacent breakers and then carried by 10210



it in interstate and foreign commerce to various points outside of Pennsylvania. Part moves to the North and West, while approximately 3,000,000 tons—mostly small sizes—has been and is carried each year to Hoboken, New Jersey, on the New York Harbor and sold there; and defendant intends to continue to transport the same substantially as heretofore.

For a long time this defendant has been accustomed to 10211
buy almost the entire output—75 per cent. or more—shipped from the mines and breakers located along its lines which are owned and operated by others—in 1911, 1,500,000 tons; has transported most of the same in interstate and foreign commerce, and intends hereafter to continue the same course of action.

## III.

10212
Anthracite coal is an article of prime necessity in general use for domestic purposes throughout New England and the Middle Atlantic States, and is also largely burned in other sections of the Union and in Canada. The smaller sizes are much in demand for steam purposes in and about New York City, Boston, and other large cities in the East. The source of the entire supply, except a small amount of inferior quality, is in northeastern Pennsylvania, where the deposits underlie an area of about 484

10213 square miles, divided for trade purposes into the Wyoming, the Lehigh, and the Schuylkill regions.

The total annual output of all the mines is approximately 75,000,000 tons. About 12 per cent. is consumed at or near the collieries, while the remainder (with insignificant exceptions) is carried away over the lines of the nine railroad companies named below which extend thereto—four-fifths being transported and sold in interstate and foreign commerce, viz.:

Philadelphia & Reading Railway Company; the Cen-
10214 tral Railroad Company of New Jersey; Lehigh Valley Railroad Company; the Delaware, Lackawanna & West-



ern Railroad Company; Erie Railroad Company; the New York, Susquehanna & Western Railroad Company; the Delaware & Hudson Company; Pennsylvania Railroad Company; New York, Ontario & Western Railway Company.

10215 Except the lines of the Delaware & Hudson Company, all these railroads reach New York Harbor and carry there, where the same is ultimately sold, 25 per cent. of the total shipments of anthracite moving by rail, their rates therefor being approximately the same, irrespective of the length of the haul. This is by far the most important market for such coal. In it from 18,000,000 to 20,000,000 tons are annually sold, and distribution is made therefrom by water or otherwise to points in various States. Being the chief distributing point, prices prevailing there largely fix and regulate those in other
10216 markets.

The terminals of the railroads carrying such traffic on New York Harbor are at separate points on the New Jersey side, from Edgewater on the north to South Amboy on the south; and at these points, after passing the larger sizes over screens, the coal is weighed, dumped into barges, and is quoted and sold free on board thereof.

The above mentioned anthracite carrying railroads and the great coal companies united or affiliated with them

severally in ownership or management have long engrossed the output of the collieries. Each road directly or through one or more coal companies has contrived to gain control over the output of most of the mines served by it and the sale of the same. This is especially true of coal moving to New York Harbor, and as a consequence f. o. b. prices of anthracite at the various terminals there are made and controlled by the defendant railroad and other railroad companies and their affiliated coal companies. These prices or their averages are reported monthly by the sellers to a bureau of statistics sustained by them jointly, and the result is then sent out to all of them. 10217 10218

The substantially uniform prices for anthracite f. o. b. New York Harbor now quoted and demanded are from



$5.25 per ton for certain prepared sizes down to $1.80 for the size known as barley. These necessarily depend upon the freight charges demanded by the railroads, and under normal and natural conditions would vary with the same; and these charges have long been and now are exceedingly high, in fact, excessive. The present tariff schedules fix them at approximately $1.50 per ton for prepared sizes down to $1.10 for the small sizes, or from about 25 per cent. to 60 per cent. of the f. o. b. prices New York Harbor, of the coal transported. 10219

## IV.

Prior to August 2, 1909, the defendant Railroad Company, acting openly in its own name, mined coals from its own collieries and whilst holding full legal title thereto transported the same to the markets in different states for sale therein and not for use in its business as a common carrier. Almost the entire production of all the anthracite mines along its lines was also sold by it in the markets of different states, the output of those not owned having been purchased at the breakers as above shown. 10220

10221 In order economically and expeditiously to transport and sell this coal, the defendant Railroad Company constructed at points in different states, adjacent to or connected with its tracks, extensive terminal facilities, storage yards, depots, docks, wharves, transfer trestles, coal trestles, sale yards, and other accessories essential or convenient for carrying on such business. Its great financial ability, its power and position as a common carrier, and the exclusive use of these facilities, put other producers and operators at a serious disadvantage
10222 when seeking to market their coal in competition with it. In consequence the railroad was enabled to and did purchase so much of the output of collieries owned and worked by others as, added to its own, gave it the disposition of more than 90 per cent. of the entire production along its lines, complete dominance of the market



therefor and a monopoly thereof, and gave it the power
10223 arbitrarily to fix prices at all points not reached by another railroad. But for such purchases most of this coal from mines not owned by it would have been sold in interstate and foreign commerce in competition with the railroad; and if not so purchased in the future will be so sold in competition.

The business of the defendant railroad has been immensely profitable and its financial strength is very great. A majority of its stock has long been and is now held in large blocks by less than twenty-five indi-
10224 viduals and interests who act in concert and unity. A still smaller number have and do dominate and control its affairs, being enabled thereto by their stock holdings and their unity of purpose and effort.

V.

Section 1 of the act of Congress approved February 4, 1887, entitled "An Act to Regulate Commerce," as amended by the act approved June 29, 1906 (34 Stat., 584), provides:

From and after May first, nineteen hundred and 10225
eight, it shall be unlawful for any railroad company to transport from any state, territory, or the District of Columbia, to any other state, territory, or the District of Columbia, or to any foreign country, any article or commodity, other than timber and the manufactured products thereof, manufactured, mined or produced by it, or under its authority, or which it may own in whole, or in part, or in which it may have any interest direct or indirect except such articles or commodities as 10226
may be necessary and intended for its use in the conduct of its business as a common carrier.

The inhibitions of this provision rendered it unlawful after the first of May, 1908, for defendant railroad to transport in interstate and foreign commerce coal purchased by it or produced by the mines which it owned



10227
and operated while having an interest in such commodity unless intended for use in its business as a common carrier.

The combined business of buying, mining, transporting, and selling anthracite had been immensely profitable to the railroad and to its stockholders; and those who dominated and controlled its affairs desired to preserve for themselves such profits and to continue the business substantially as theretofore conducted, notwithstanding the manifest purpose of the provisions of the act above 10228
quoted. To that end, accordingly, they determined to cause the organization of a new corporation to be under their own control—whose stockholders would be substantially the same as those of the Railroad Company—and through it to conduct the business theretofore carried on by the railroad sales department, thus securing, in effect, the continued unity of mining, transporting and selling, in substance as theretofore, and depriving the public of the benefits which the aforesaid act was intended to produce.

10229 Thereupon, they caused their representatives and nominees to organize under the laws of New Jersey, on or about June 30, 1909, defendant The Delaware, Lackawanna & Western Coal Company, with an authorized share capital of $6,800,000—one-fourth of the then outstanding capital of the defendant railroad—such shares being intended for pro rata distribution among the railroad's stockholders. Their further purpose was to cause the two defendants to enter into the contract and arrangement hereinafter described. Accordingly, about
10230 the first of July, 1909, they caused the Railroad Company to declare a cash dividend of 50 per cent. and took the further action described in the communication then sent out, a copy of which follows:

> To the stockholders of the Delaware, Lackawanna and Western Railroad Company:
>
> An extra dividend of fifty per cent. has been declared by the board of managers on the capital stock of the company, payable on July 20th, 1909,

10231



> to stockholders of record at the close of business on July st, 1909.
>
> In conformance with the decision recently rendered by the United States Supreme Court, declaring that this company can not lawfully transport in interstate commerce coal owned by it, a coal-selling company has been organized under the laws
10232 of the State of New Jersey, under the name of the Delaware, Lackawanna & Western Coal Company, the capital stock of which will be $6,800,000.00, divided into 136,000 shares of $50.00 each par value.
>
> It is proposed that the Delaware, Lackawanna & Western Railroad Company, as the seller, shall contract with said coal company, as the buyer, to sell and deliver the coal mined and purchased by the Railroad Company to the Coal Company at the mines.

The stockholders of the Railroad Company are 10233
hereby invited to subscribe to the capital stock of the Coal Company at the rate of one share of the latter for each four shares of the capital stock of the Railroad Company held by the several stockholders as shown by the books of the company at the close of business July 1st, 1909.

As it is deemed undesirable to issue part shares as scrip, or otherwise, any stockholder whose pro rata Coal Company subscription may entitle him to a part share, may, on payment in cash of the 10234
additional amount necessary, acquire a full share instead of the part share allotted to him.

Herewith subscription blank which each stockholder should sign and have duly witnessed in the event he desires to subscribe for the stock of the Coal Company on the basis set forth herein. Such blank contains an order on the Treasurer of the company authorizing and directing that one-half of the dividend of fifty per cent. due and payable on July 20th, 1909, be paid to the Coal Company in satisfaction of the subscription of such stock- 10235



holder to the capital stock of the Coal Company. The other half of such dividend will of course be paid in cash. Certificate for the number of shares of stock so paid will be issued in the name of and delivered to the stockholders as the latter may direct.

It is urged by the company's legal advisers that 10236
the proposed selling contract be made operative as early as possible.

It is, therefore, respectfully requested that the stockholders of the company take prompt action on the several matters submitted to them hereby.

With insignificant exceptions (about twenty in all, owning together less than $30,000 of stock), the railroad stockholders subscribed for the Coal Company's shares

10237 apportioned to them, and immediately the two corporations with all their business and assets came into and they have ever since remained under the substantial ownership and immediate control of the same individuals. William H. Truesdale, President, and Edward E. Loomis, Vice-President of the railroad, have always been two of the seven Directors of the Coal Company and the latter always its President. The other Directors of the Coal Company have likewise been but the nominees and instruments of those in control of the Railroad Company.

10238 Thereupon, according to the plan and on or about August 2, 1909, the two defendants entered into the written contract, a copy of which marked "Exhibit A" is annexed and made a part hereof and which, among other things, in substance provided:

That the Railroad Company would sell to the Coal Company all mined, marketable coal then owned, except such as it should elect to retain for use in its business as a common carrier, to be paid
10239 for within thirty days at prices designated.



That the Railroad Company would lease to the Coal Company certain described storage and stocking plants, trestles, and docks, and accept in payment 5 per cent. per annum on a valuation to be agreed upon.

That the Coal Company would take over certain
10240 leases of trestles and sales agency contracts theretofore made by the Railroad Company.

That the Railroad Company would sell and deliver to the Coal Company, f. o. b. cars at the breakers, all coal thereafter mined by the former from all lands owned or leased by it, together with all coal purchased by it, the amount to be so sold and delivered to be at the absolute option of the seller and without liability upon its part for failure to supply any. The Coal Company agreed to pur-

chase all coal offered by the Railroad Company, 10241
and no other, unless necessary to comply with contracts then outstanding.

That the railroad might retain sufficient coal for its use as a common carrier.

That the Coal Company would accept from the Railroad Company all coal delivered on cars at the breakers, and pay for all sizes above pea 65 per cent. of the general average f. o. b. prices at tide points at or near New York between Perth Amboy and Edgewater, and for the smaller sizes 10242
specified portions of such general average prices.

That the Coal Company would conduct the business of selling so as best to conserve the interest of and preserve the good-will and markets of the coal mined by the Railroad Company; that any disputes which might arise between the parties should be settled through a board of arbitration, made up as specified; and that the terms of the agreement itself might also be modified by arbitration if conditions justified.

That the contract should continue to be opera- 10243



tive until six months after either party shall notify the other in writing of its intention to cancel the same, and that upon its expiration the Coal Company would sell to the Railroad Company and the latter would buy all coal then stored or in transit theretofore purchased by the former at prices to be agreed upon or fixed by arbitra- 10244
tion.

The copy of the contract, Exhibit A, specifically referred to for a more complete and definite understanding of its terms and provisions.

In the annual report of the defendant Railroad Company for the year 1909, its President said:

In conformance with the decision rendered by the United States Supreme Court that railroad

10245 companies cannot lawfully transport in interstate commerce coal owned by themselves, the sales division of the coal department of the D. L. & W. Railroad was discontinued August 1st, 1909, and a coal-selling company was organized under the laws of the State of New Jersey. Therefore, the annual report of the coal department covers but seven months—from January to July, inclusive—of the sales end of the business. A contract was entered into with the new Coal Company, where-
10246 by the railroad agreed to sell its coal on board cars at the mines on the same basis as generally prevails in the anthracite region, or what is known as the 65 per cent. basis of tidewater prices; and also to sell and turn over all stocks of coal along its lines and on western docks, and to lease its trestles, to the Coal Company.

• • • • • • •

In rearranging its affairs in conformance with the decision of the United States Supreme Court
10247 in what is known as the commodities case, the company declared an extra dividend of 50 per cent., which was payable in cash, the stockholders, however, being given the option to use one-half of this



extra dividend in purchasing stock of the Delaware, Lackawanna & Western Coal Company, which was oganized and took over the merchan-
10248 dising of this company's coal on August 1st, 1909. At the same time a stock dividend of 15 per cent. was declared and paid to the stockholders of the company. As a result its capital stock was increased to $30,277,000.00

The defendant Coal Company at once took possession of the coal held by the railroad and entered upon the use of the sundry facilities belonging to it as agreed. The other terms of the arrangement likewise have been

and are now being carried into effect. The Railroad 10249
Company continues to buy the output of mines belonging to others located along its lines, amounting in 1911 to about 1,500,000 tons, and goes through the form of delivering the same to the defendant Coal Company along with the product from its own mines, amounting annually to about 7,000,000 tons. So much coal as the railroad needs for use in its own business as a common carrier (about 1,000,000 tons annually) is reserved and not delivered to its co-defendant. The Coal Company takes ostensible possession of the coal so offered when 10250
delivered on board cars, causes most of it to be transported in interstate and foreign commerce by the defendant railroad, and is carrying on the business of selling the same in its own name at the sundry points in different States reached by the railroad, substantially according to the methods originally adopted by the latter, all as agreed, and both parties intend to continue this course.

The annual sales of the Coal Company—four-fifths being outside of Pennsylvania—amount to from 8,000,- 10251
000 to 9,000,000 tons, all secured from the defendant railroad and transported by it as above shown. And such coal is not transported for use by the railroad in its business as a common carrier.



By reason of the arrangements described, the support of the Railroad Company, and the peculiar advantages and facilities acquired, the Coal Company at once secured and has ever since maintained an unlawful mo- 10252
nopoly of the sale of coal produced along defendant's railroad, and has completely dominated the markets at all points thereon not reached by any other railroad. Its position, power, and support render effective competition with it practically impossible, and the monopoly which it now holds will continue indefinitely unless restrained.

10253 VI.

Since the organization of defendant Coal Company there have been some changes in the ownership of its stock, but its stockholders and those of the defendant railroad who own and control not less than 85 per cent. of the shares of both have been and now are the same individuals or their representatives. Not exceeding twenty-five of these have continuously owned a majority of the stock of both companies, and the affairs of both have been dominated and controlled by a still smaller
10254 number acting in concert. Thus substantially the same group of individuals acting togther own, control and direct both the business of the railroad and that of the Coal Company.

The operations of the Coal Company have been immensely profitable, as was intended by those who procured its organization and gave it the above described sales contract. Dividends have been paid at the rate of 10 per cent. per annum, and a surplus exceeding $3,500,000—more than 50 per cent. of a very large capitalization
10255 —has been accumulated in less than three and one-half years.

The Vice-President of the Railroad Company has always been the chief officer of the Coal Company and an active member of its Board of Directors. The affairs of both have been carried on in complete accord and unison and with the purpose and effect of enriching their common shareholders.



10256 The purpose of the Railroad Company and those who controlled it in organizing the defendant Coal Company was to use the latter as a mere instrumentality for retaining under their direction and for their profit the business of selling coal theretofore carried on by the railroad; and under the agreement of August 2, 1909—Exhibit A hereto—this purpose has been carried into fruition. The Coal Company is and must always be subservient to the will and direction of the railroad, and those who control the latter. They have always consti-

tuted its dominant stockholders and probably always 10257
will. They elect its officers, determine its policies, and moreover, they may take away its sole business upon six months' notice. If its conduct should fail to meet their approval, it may be deprived of all benefits under the sales contract—Exhibit A—and its business quickly destroyed. In such event a similar subterfuge could be organized and the profits of the entire business still be secured to the stockholders of the railroad.

The arrangement under which the defendant companies are operating in no proper or legal sense destroys 10258
or terminates the interest which the Railroad Company has in the output of the mines which it owns and operates or in the coal which it purchases from others before the same starts in the course of interstate or foreign transportation; but during the entire time and course of such transportation the carrier has an interest therein within the true meaning and intent of the statute. The two companies are but instrumentalities of the same group of stockholders; the arrangements and contracts between them are but devices to avoid the prohibitions 10259
of the Interstate Commerce Act, and operations under them are more damaging to the public than those under the old plan prior to August, 1909. They have enabled the Coal Company to acquire a monopoly of the sales of coal produced along the defendant railroad, and through the exclusive use of the instrumentalities leased by the latter and otherwise this monopoly will be continued. Having in the ways described secured for itself a monop-



oly, the defendant railroad successfully undertook to transfer this to the Coal Company, and, unless prevented, such monopoly will continue to the great detriment of the public.

Furthermore, the contract between defendants—Exhibit A hereto—necessarily hinders and prevents the railroad from freely fixing its rates for transporting coal

10261 according to recognized and legitimate standards, and introduces a factor into the determination of questions relating thereto which may not be considered consistently with the rights of the public and which necessarily tends to keep such rates unduly high. For since under the contract the Railroad Company receives for its coal at the mines a percentage of the price at New York Harbor, which price is largely determined by the freight rate, it follows that the higher the freight rate from the mines to New York Harbor the higher the price
10262 received by the Railroad Company at the mines; and, on the other hand, as the freight rate decreases, such price decreases. The contract is thus not only a barrier against any reduction in the Railroad Company's freight rates to New York, however justified by the conditions, but is an inducement to higher rates regardless of any change in the cost or character of the service. It is in undue, unreasonable, and unlawful restraint of interstate and foreign trade and commerce.

The purchase of coal by defendant Railroad Company
10263 as above shown, for resale or for transportation over its lines, is incompatible with its duties as a public carrier, and the necessary tendency of such action is to produce a monopoly of and unlawfully to hinder and restrain interstate and foreign commerce in that commodity. The imperative duty of a common carrier by railroad is to transport freight and passengers for all alike, without discrimination, at fair, reasonable, and just rates; and it may not enter into contracts or arrangements the necessary tendency of which is materially to hinder, impair, or destroy its ability to perform such duty or its
10264 freedom in determining what action should be taken



in respect thereto. Especially it may not use its enormous and unusual powers and opportunities to acquire a monopoly nor make contracts or enter into arrangements which necessarily tend towards monopolization.

## VII.

10265

Wherefore petitioner prays:

1. That writs of subpœna issue directed to defendants the Delaware, Lackawanna & Western Railroad Company, and the Delaware, Lackawanna & Western Coal Company, commanding each of them to appear herein and answer, but not under oath (oath being expressly waived), the allegations contained in the foregoing petition, and abide by and perform such orders and decree as the Court may make in the premises.

10266

2. That the Court adjudge that the Delaware, Lackawanna & Western Railroad Company has not since August 2, 1909, when the above-described contract between it and the other defendant went into effect, in a *bona fide* way, before accepting the same for carriage, divested itself of all interest in the anthracite coal purchased from others or produced at its mines or under its direction and control; and that it is and has been unlawfully transporting the same in interstate and foreign commerce.

10267

3. That the defendants be enjoined from shipping, transporting, or causing to be transported any anthracite coal, the product of mines owned by defendant Railroad Company or purchased by it from others, and sold, transferred, or delivered to defendant Coal Company in pursuance of the above-described agreement or arrangement existing between them or any similar one.

4. That the Court adjudge the existing arrangements 10268
and agreements between the defendants constitute a contract and combination in restraint of trade and commerce among the States and an attempt to monopolize a part of such trade and commerce contrary to the provisions



of the Act of July 2, 1890, and that further violations of said act in the ways specified or any similar ones be enjoined.

10269 5. That the Court adjudge the purchase of coal by the defendant Railroad Company from others and the sale or transfer of the same to the defendant Coal Company, or any other party, to be unlawful, and enjoin any such future action.

6. That complainant have such further other and general relief as it may be entitled to.

JOHN B. VREELAND,
United States Attorney,
10270 District of New Jersey.

George W. Wickersham,
Attorney General.

James A. Fowler,
Assistant to the Attorney General.

James C. McReynolds,
G. Carroll Todd,
Special Assistants to the Attorney General.
10271 February, 1913.

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## EXHIBIT A TO ORIGINAL PETITION.

THE UNITED STATES *v.* THE D., L. & W. R. R. ET AL.

This contract entered into this second day of August, 1909, between the Delaware, Lackawanna and Western Railroad Company, hereinafter called the "seller," of
10272 the first part, and the Delaware, Lackawanna and Western Coal Company, hereinafter called the "buyer," of the second part, witnesseth:

Whereas the seller is the owner of coal lands situated at various points in the counties of Luzerne and Lacka-



wanna, in the State of Pennsylvania, and has been engaged both in mining the coal therefrom and in trans-

porting to market and selling the same, and in like manner has so transported and sold large amounts of coal purchased by it in said State; and whereas the seller, to so sell its coal, has constructed storage plants and trestles at various points in different States, and has entered into various sales agency contracts; and whereas to so market said coal most of the same must be transported in interstate commerce, so that it has become necessary for the seller, in compliance with law, to sell all of its coal within the State of Pennsylvania; and whereas the buyer is desirous of contracting to so purchase all of the seller's coal at its mines, to contract for the transportation of the same to market, and to sell the same, and for such purpose to lease of the seller various of its storage plants, trestles, offices, and other facilities, and assume its selling agency contracts; 10273 10274

Now, therefore, in consideration of the premises, and of the mutual covenants herein contained, it is agreed as follows:

First. The seller agrees to sell to the buyer, and the buyer agrees to buy of the seller, all mined marketable coal wherever situated now owned by the seller, and either stored, held at various points, or in the course of transportation, except such coal as the seller elects to retain for its use in the conduct of its business as a common carrier. The buyer shall pay the seller therefor, in cash within thirty days from the date hereof, as follows, viz.: For all of the coal in transit, at prices to include the full tariff charges of the seller and of all other carriers whose charges have been paid by the seller for the transportation of such coal from the mines, together with the market value thereof at the mines as fixed herein, at prices prevailing for the month of July, 1909; for all coal stored, of all sizes, at points west and north of Buffalo, N. Y., the sum of five dollars and fifty 10275 10276



cents ($5.50) per gross ton; for prepared sizes of coal stored at Buffalo and at other points along the lines of

10277 the owned, leased, and controlled lines of the seller, the sum of four dollars ($4.00) per gross ton; for sizes smaller than prepared sizes so stored at Buffalo and points east, along the lines of the seller, not including that stored at or about the mines of the seller, the sum of one dollar ($1.00) per gross ton. The buyer shall also pay an equitable proportion of taxes for the year 1909 assessed or to be assessed against such stored coal.

The buyer hereby assumes and agrees to pay all unpaid charges of every nature incurred in connection with
10278 the transportation or storage of said coal, and hereby assumes all risks and obligations in connection therewith from the beginning of the day of the date hereof.

Second. The seller shall lease to the buyer contemporaneously herewith, the following properties: The Cheektowago stocking plant, at Buffalo, N. Y.; the Port Morris storage plant, at Port Morris, N. J.; the Dover stocking plant, at Dover, N. J.; the Erie Street lake trestle, at Buffalo, N. Y.; the transfer trestle, at East Buf-
10279 falo, N. Y.; the lake shipping trestle, at Oswego, N. Y.; the canal trestle, Clinton Street trestle, and Geddes yard trestle, at Syracuse, N. Y.; the canal trestle, at Utica, N. Y.; the retail trestles located, respectively at Newark, Harrison, Bloomfield, Summit, and Paterson, N. J.; the Division Street dock trestle, at Chicago, Ill.; the Wabash dock trestle, at Toledo, Ohio. The rental to be paid the seller by the buyer for the use of said properties shall be five per cent. (5%) of their agreed value, including goodwill, and the leases shall provide that the buyer shall
10280 keep the said properties insured and in repair, and shall contain such other covenants as may be proper to protect the interests of the seller.

The seller has leased certain of its trestles to different persons, as follows: The Main Street, Erie Street, Chicago Street, Seneca Street, Walden Avenue, and Black



Rock trestles at Buffalo, N. Y., to E. L. Hedstrom; the McKinney trestle at Binghamton, N. Y., the Chemung

Coal Company trestle at Elmira, N. Y., the Oswego Coal 10281
Company trestle at Oswego, N. Y., the Gilmore trestle at Utica, N. Y., the Horre trestle and elevator on pier five, Hoboken, N. J., Burns Brothers' trestle on property of the seller at South Brooklyn, N. Y., the Klink trestle at Syracuse, N. Y., a coal trestle at Bath, N. Y., and various other trestles located on the lines of its owned, leased, and controlled lines.

The seller has also entered into sales agency contracts, as follows: With E. L. Hedstrom & Co., Chicago, Ill., S. C. Schenck, Toledo, Ohio, North Western Fuel Co., St. 10282
Paul, Minn., Milwaukee Western Fuel Co., Milwaukee, Wis., E. L. Hedstrom, Buffalo, N. Y., and Ogdensburg Coal & Towing Company, of Ogdensburg, N. Y.

All of such leases and sales agency contracts shall be taken over by the buyer as of the date hereof, on terms to be agreed upon, and it shall assume all obligations of the seller with respect thereto, and be entitled to the benefits thereof. The buyer also agrees to lease of the seller the coal sales office building at Buffalo and Syracuse, N. Y., rooms in the station of the seller at Scranton, Pa., 10283
and suitable quarters at 90 West Street, New York City.

The seller will provide that any of the foregoing properties so to be leased to the buyer which are owned by the Syracuse, Binghamton & New York Railroad Company, shall be so leased to it by such corporation.

The seller has also entered into contracts for the sale of coal for the current year with various customers. A schedule of such contracts shall be prepared and furnished to the buyer by the seller. All of such sales contracts shall be assumed by the buyer as of the date hereof, and it agrees to comply with the terms and conditions of such 10284
contracts. The buyer also agrees to assume the obligations of a certain contract entered into October 8, 1905, between Lucy A. Turner and the seller in connection with the business of the Henry B. Turner Coal Company at



foot of East 23rd Street, New York, and shall be entitled to the benefits thereof without other consideration than that named herein.

10285 The seller has entered into a contract, dated June 17, 1905, expiring August 1, 1910, with the Solvay Process Company, of Syracuse, N. Y., providing for the sale of washery coal at prices named therein. It is understood that the buyer shall assume such contract and supply said company with coal at prices named therein. The seller, however, agrees that as the buyer can not conform to the conditions of such contract without a material loss it will adjust such loss with the buyer upon an equitable basis on terms to be agreed upon.

10286 Third. Subject to the conditions of this paragraph, and at the prices herein stated, the seller agrees, during the terms of this contract, to sell to the buyer all coal hereinafter mined by it from all coal lands owned or leased by it, together with all coal it may purchase. The buyer agrees to purchase all such coal at such prices and to pay the seller therefor in cash on the 20th of each month for all coal delivered to it by the seller f. o. b. cars at the mines during the preceding month. The buyer also
10287 agrees on the 15th of each month to pay the seller in cash all tariff charges of its owned, leased, and controlled lines, and all monies advanced by it to other carriers for the transportation of said coal during the preceding month.

The amount of coal to be so delivered and sold to the buyer by the seller shall be at the absolute option of the seller as its interests may determine, and the seller shall be subject to no liability whatsoever for failure to supply the buyer with such amount of coal as it may desire. The buyer agrees that, except to enable it to comply with the terms of the existing hereinbefore recited sales agency
10288 and other sales contracts of the seller, in the event of the failure of the seller to sell it coal, it will purchase all coal to be sold by it from the seller, and will purchase no coal from any other person or corporation except with the written consent of the seller.

The seller reserves the right to retain all coal required



by it for the use of its owned, leased, and controlled lines in the conduct of their business as common carriers. Also

such coal as it may desire to sell its employees at the 10289
breakers, the same not to be hauled in railroad cars.

The buyer agrees to pay the seller, and the seller agrees to accept from the buyer, the following prices for said coal, to be delivered f. o. b. railroad cars at the various breakers now located and hereafter constructed by the seller at its mines aforesaid.

For all sizes above pea coal, sixty-five (65) per cent. of the general average free on board prices of said sizes received at tide points at or near New York, between Perth Amboy and Edgewater. 10290

For pea coal, fifty (50) per cent. of the general average f. o. b. price for pea coal at said tide points at or near New York when the said price is two dollars and fifty cents ($2.50) per ton or less, and for each advance of ten (10) cents per ton in the said f. o. b. price above two dollars and fifty cents ($2.50) the proportion paid the seller shall be increased one (1) per cent. until the percentage paid for pea coal reaches sixty-five (65) per cent.

For buckwheat coal No. 1, forty (40) per cent. of the general average f. o. b. price at said tide points at or near New York when the said price is two dollars ($2.00) 10291
per ton or less, and for each advance of ten (10) cents per ton in the said f. o. b. price the proportionate price paid the seller shall be increased two (2) per cent. until the said f. o. b. price reaches two dollars and fifty cents ($2.50), after which the proportionate price paid the seller shall advance one (1) per cent. for each ten (10) cents advance in the f. o. b. price above two dollars and fifty cents ($2.50), as in the case of pea coal above mentioned. Provided that nothing herein contained shall oblige the buyer to pay for buckwheat No. 1 coal a rate 10292
higher than for pea coal.

For all sizes smaller than buckwheat No. 1 the seller shall receive twenty-five (25) cents per ton f. o. b. railroad cars at breakers, and for each ten (10) cents increase in the general average f. o. b. price above one



dollar and thirty cents ($1.30) a ton at tide the price shall be increased five cents per ton.

10293 The general average f. o. b. prices herein referred to shall be determined by the general average free on board prices received for the various sizes on general market sales thereof at tide points at or near New York between Perth Amboy and Edgewater during each calendar month, and a statement of such prices shall be furnished the buyer by the sellor prior to the 8th day of each month subsequent to that in which such monthly sales shall have been made, the intent of this provision being to ascertain and to fix the market price of the coal
10294 at the mines as nearly as may be as of the several and respective days of delivery of the coal at the mines.

Payment on the 20th day of each month for coal purchased during the preceding month shall be made at such prices.

Fourth. The seller agrees that all its coal sold to the buyer shall be properly prepared for market in accordance with the past practice and standards of the seller.

10295 Fifth. The buyer agrees that at any transfer trestles leased to it by the seller it will transfer from car to car any coal which the seller desires to have transferred, at a price to be agreed upon. It is also understood that the parties hereto shall adjust the charges to be paid by the buyer to the seller for coal forwarded to and unloaded from storage or stocking plants and with respect to other transportation charges to be subsequently covered by tariffs to be filed by the seller.

10296 Sixth. The buyer agrees that it will conduct the business of selling the coal of the seller in such manner as best to conserve the interests of and preserve the goodwill and markets of the coal mined by the seller, and to continue to fill the orders of all responsible present customers of the seller even though as to some of such customers the sales may be unprofitable, it being understood and agreed that at the prices above quoted the entire business of the buyer will be conducted at a profit.

Seventh. In the event of dispute as to tidewater 10297
prices or as to the proper interpretation of any pro-



vision of this agreement, or if by reason of changes in market conditions, tariff rates or otherwise, modifications or changes in this contract should fairly be made, and the parties hereto cannot agree with respect to such modifications or changes, or if the parties cannot agree as to any matter, it is agreed that all such differences 10298
shall be determined by arbitration by a board of arbitrators to consist of one person selected by the general sales agent of the buyer, and one person selected by the President of the seller, and a third person to be selected by the then President of the Farmers Loan and Trust Company of the City of New York, and that the decision of a majority of such board of arbitration shall be final and binding upon the parties hereto.

Eighth. Any changes or modifications in the terms, 10299
conditions, or covenants of this contract which may hereafter be agreed to may be made by written agreement, duly executed, provided the same be approved by a vote of both the parties hereto acting by a majority of their several Boards of Directors or managers.

Ninth. This contract shall become in effect on the beginning of the day of the date hereof. Upon written notice by either party to the other prior to August 1st, 1910, of its intention to cancel this contract, it shall expire at midnight on the 28th day of February, 1911. 10300
Should no such notice be served, the contract shall continue to be operative until the expiration of six months after either party shall notify the other in writing of its intention to cancel the contract, in which event it shall expire at midnight of the last day of the six months named in the notice of cancellation.

Upon the expiration of this contract, the buyer agrees to sell to the seller or to whomever the seller shall nominate, and it agrees to buy or cause to be bought, all coal

10301 then stored or in transit purchased of the seller by the buyer, at prices to be agreed upon; or in case the parties cannot agree, to be fixed by arbitration as herein provided.

372 Answer of Defendant Railroad Company.

In witness whereof, the parties hereto have executed this instrument in duplicate the day and year aforesaid, at the city of Hoboken, New Jersey.

DELAWARE, LACKAWANNA &
WESTERN RAILROAD COMPANY,

10302 By (signed) W. H. TRUESDALE,
[SEAL] President.
A. D. Chambers, Secretary.

DELAWARE, LACKAWANNA &
WESTERN COAL COMPANY,
By (signed) E. E. LOOMIS,
[SEAL] President.
J. J. A. Owens, Secretary.

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**DISTRICT COURT OF THE UNITED STATES,** 10305

FOR THE DISTRICT OF NEW JERSEY.

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| UNITED STATES OF AMERICA, Petitioner, *against* THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD COMPANY, and THE DELAWARE, LACKAWANNA AND WESTERN COAL COMPANY, Defendants. | In Equity No. 10306 |

**Answer of the Defendant, The Delaware, Lackawanna and Western Railroad Company.**

The defendant, The Delaware, Lackawanna and Western Railroad Company, answers the petition herein, as 10307
follows:

*First.* Defendant, The Delaware, Lackawanna and Western Railroad Company, admits that this proceeding is brought under the direction of the Attorney General of the United States as set forth in the first subdivision of said petition. It denies that it is or has been violating the law referred to in said subdivision, or any other law.

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*Second.* This defendant admits that The Delaware, Lackawanna and Western Coal Company is a corporation organized and existing under the Laws of New Jersey, with its principal office at Hoboken, in said State, with outstanding capital stock of approximately $6,590,700.00; that among the objects for which it was established and the perpetual powers granted to it are those set forth under Subdivision "II" of the petition. It further admits that said coal company is now and since

10309 the 2nd day of August, 1909, has been engaged in the business of dealing in anthracite coal within the States of New Jersey, Pennsylvania and New York, at the various places, towns and cities reached by the lines of The Delaware, Lackawanna and Western Railroad Company, including Hoboken, New Jersey, and that it also has agents and offices in other States and carries on business therein. It further admits that one of the New York harbor terminals of this defendant is located at Hoboken, New Jersey, and that this defendant con-
10310 stantly transports thereto from the mines in Pennsylvania large quantities of the coals accepted by the defendant coal company under the terms of an agreement dated August 2nd, 1909, a copy of which, Exhibit "A," is attached to the petition, but it denies that such coal so transported amounts to 3,000,000 tons per annum, or an amount approaching that number of tons.

*Third.* It admits and alleges that this defendant, The Delaware, Lackawanna and Western Railroad Company,
10311 is a corporation duly organized and existing under and by virtue of the Laws of the State of Pennsylvania, with offices therein at Scranton and also in New York City, and within this judicial district; that it is by its franchises and has been since a time long prior to 1874



authorized and empowered, among other things, to carry on the business of a common carrier, to own and operate coal mines in the State of Pennsylvania, and to buy and
10312 sell coal, and that such authority and power have in no wise been abridged, abrogated or repealed by the Constitution of the State of Pennsylvania, effective January 1st, 1874, or otherwise.

It admits and alleges that it owns and operates lines of railroad in the State of Pennsylvania; also many branch lines and laterals some of which reach anthracite coal mines owned by it and some owned by others lying within the Counties of Lackawanna and Luzerne in said

State, and in the Wyoming region of the anthracite field. 10313
Some of these it has owned and operated since 1855; others it has acquired or constructed as lately as the year 1912. It also admits and alleges that as lessee it operates various lines of railroad, branch lines and laterals in the States of Pennsylvania, New Jersey and New York, and has so operated them from the dates of the various leases thereof, ranging from October 1st, 1857, to October 1st, 1912. The lines of railroad so owned or leased connect and have connected among other places, Hoboken, New Jersey, Scranton and North- 10314
umberland, Pennsylvania, and Utica, Binghamton, Oswego and Buffalo, in the State of New York. And it further admits and alleges that over such lines, since it has owned or leased the same, it has been engaged in interstate and foreign commerce as a common carrier of passengers and freight, especially anthracite coal not intended for its own use. It admits that it owns a fleet of marine barges which carry anthracite coal from

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Hoboken, New Jersey, to points in New England, but denies that it operates the same.

It further admits that at various times commencing prior to 1860, this defendant has acquired by purchase and holds in fee simple a large acreage of lands containing or said to contain anthracite coal lying in said Lackawanna and Luzerne Counties, and has likewise acquired by lease coal underlying, or said to underlie, other acreage of lands in said Counties, and that the aggregate of such acreage is some 15,000 acres of land; that 10316
approximately one-half of these were acquired after January 1st, 1874. It does not know the exact acreage of such lands which contains coal.

It further admits that upon the lands so acquired and held there are many collieries which have long been and now are being constantly operated by the defendant railroad company in its own name; that at all times coals therefrom have been mined and produced by this defendant and the full legal title thereto has been vested

10317 in it at all times prior to the loading thereof in cars at the breaker for transportation, and it alleges that prior to August 2nd, 1909, it not only mined and produced such coals, but transported the same to market, and there sold them, and that the legal title thereto was vested in this defendant up to the time of such sale thereof, but that since said time this defendant has sold and delivered such coals (except such part thereof as it consumed in its business as a common carrier or was locally consumed), at the breaker's mouth and before
10318 the transportation thereof began, to the defendant, The Delaware, Lackawanna and Western Coal Company, and it denies that the legal title thereto or any interest therein was vested in it at any time after such sale and



delivery. It admits and alleges that during recent years the annual output of such collieries has been at the rate of approximately 8,000,000 tons, but it denies that such annual output has been at the rate of 10,000,000 tons, and
10319 it denies that the present output of said collieries will continue indefinitely. It admits that great quantities of such coals intended for sale and distribution in different states, not necessary or intended for this defendant's use in its business as a common carrier, have long been and now are loaded upon its cars at the mines or adjacent breakers and then carried by it in interstate and foreign commerce to various points outside of Pennsylvania; that part thereof moves to the North and West, and that part thereof, mostly smaller sizes, has
10320 been and is carried each year to Hoboken, New Jersey, on New York Harbor, and sold there, and that defendant intends to continue to transport such coals so produced not as heretofore, but as directed by the shipper thereof, but it denies that such tonnage so distributed is in an amount from 7,000,000 to 8,000,000 tons annually, and alleges that such tonnage is between 5,000,000 and 6,000,000 tons. It denies that the part thereof carried each year to Hoboken, New Jersey approximates 3,000,000 tons in amount, and alleges that the same approximates 2,000,000 tons. It has no knowledge of the quantity sold there.

It admits that defendant has been accustomed to buy a large tonnage of the output shipped from the mines and breakers located along its lines which are owned and operated by others; that it has transported most of the same in interstate and foreign commerce. It denies, however, that it has been accustomed to purchase almost the entire output of such mines and breakers, or that it 10321



has been accustomed to purchase seventy-five per cent. (75%) or more thereof, and it alleges that said percentage is much smaller. 10322

It denies that anthracite coal is an article of prime necessity, but it admits that it is largely used for domestic purposes throughout the New England and Middle Atlantic States, and also in other sections of the Union and in Canada; that the smaller sizes are much in demand for steam purposes in and about New York City and other large cities in the East; that the source of the entire supply is in northeast Pennsylvania. It has no knowledge of the dimensions, quantity or quality of the area of unmined coal referred to in the petition. It admits that a portion of the total output of all the mines is and was in 1911 consumed at or near the collieries. The percentage thereof of the whole is not known to this defendant. It has no knowledge of the quantity of the output of the mines other than its own in the years referred to in the petition or in any other years, and it has no knowledge of the quantity thereof carried away over the lines of the railroads referred to in the petition, save that carried by its own railroad, or of the proportion of such total output transported and sold in interstate and foreign commerce. As to the output of the mines which it carries, it admits that four-fifths thereof is and was in 1911, transported and sold in interstate and foreign commerce. 10323 10324

It has no knowledge of the proportion of the total shipments of anthracite moving by rail which is carried by other railroads to New York Harbor. It admits that of the total shipments of anthracite moving over its rails about 25 per cent. thereof is carried to tide. It de-

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nies that the rates for the transportation via the different railroads to New York Harbor are approximately the same.

This defendant has no knowledge of the extent of the tonnage sold in New York Harbor or of the relative importance of New York Harbor as a market or distributing point for coal, or as to whether prices prevailing there fix or regulate those in other markets.

10826 It admits that the terminals of the railroads carrying such traffic to New York Harbor are at separate points on the Jersey side from Edgewater on the north to South Amboy on the south. It has no knowlege of the practices at other terminals in that regard, but it denies that at its New York Harbor terminal at Hoboken, New Jersey, through which tide water coal passes, all such coal of larger sizes is passed over screens or that all such coal is dumped into barges. All of it is weighed; some is screened and some is dumped into barges and some floated in the cars without screening or dumping
10827 to various points in the harbor.

It has no knowledge of the practices or conduct of other railroad companies or of coal companies in that regard, but it denies that it has engrossed the output of the collieries, or that it has gained control over the output of most of the mines served by it in the sale of the same or otherwise, or that the f. o. b. prices of anthracite at the various terminals in New York Harbor are made or controlled by the defendant railroad. It admits that the quantity of the various sizes of anthracite
10828 sold in New York Harbor and the amount of money received therefor are reported monthly by the sellers to a Bureau of Statistics sustained by them jointly, and that the average prices received for all coal so sold is

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then reported to all of such sellers. And it alleges that the statistics of said bureau, as they are made, are published and circulated throughout the country. They are

used by the Government as a basis for its census and 10329
they are reported to the United States Commissioner of Labor, and furnish the basis upon which he reports the average prices of coal at New York Harbor under the Anthracite Strike Commission Award, so that miners may receive the sliding scale of wages under such award.

This defendant has nothing to do with the sale of coal in New York Harbor, or elsewhere except the sale to the defendant coal company at the breakers' mouth as hereinbefore set forth, and sales to employees at the mines, and has no knowledge of the prices now quoted 10330
and demanded for anthracite f. o. b. New York Harbor.

It admits and alleges that its present tariff schedules fix the rates for the transportation of anthracite from mines to tide (with the exception of from Taylor to tide) as follows:

$1.58 per ton for Prepared Sizes.
$1.43 per ton for Pea.
$1.28 per ton for Buckwheat.
$1.13 per ton for Rice and Barley.

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It denies that the said charges have been or now are high or excessive.

*Fourth.* This defendant admits and alleges that prior to August 2nd, 1909, the defendant railroad company, as it was authorized and empowered to do by its charter as aforesaid, mined coals from its own collieries and whilst holding the full legal title thereto transported the same to market in different states for sale therein; that



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for many years prior to said date it purchased from time to time as the same was offered for sale, at the breakers' mouth, as it was empowered to do by its charter as aforesaid, coals produced by anthracite mines not owned by it, and it has also sold such coals so purchased by it in the market in different states. It denies, however, that the coals so purchased constituted almost the entire production of such mines not owned by it, and it

10333 alleges that the amounts so purchased constituted but a small part thereof.

It further admits that in order to economically and expeditiously transport said coals and such other coals as were or should be offered to it for transportation over its lines, this defendant constructed at points in different states adjacent to or connected with its tracks, extensive terminal facilities, storage yards, depots, docks, wharves and transfer trestles and other accessories essential or convenient for carrying on such transportation, and it
10334 also constructed other coal trestles, sales yards and accessories essential or convenient for carrying on the business of the sale of its coals, which it used exclusively. It denies, however, that its said use of such facilities or that its financial ability, or its power or position as a common carrier put other producers and operators at a disadvantage when seeking to market their coals in competition with it, or that they were otherwise put to disadvantage, and it alleges that such other producers and operators did freely and successfully compete with this de-
10335 fendant in the various markets.

It admits, as it has heretofore admitted, that it has and does purchase a portion of the output of mines and operations owned and worked by others along its lines, but it denies that it has or does purchase so much of such output as added to its own gave it the disposition of more



than ninety per cent. of the total production. It alleges that such percentage of such total production is much
10336 smaller than ninety per cent. It denies that it was enabled to or did purchase such production of others in consequence of the construction and use of said facilities or of its power or position as a common carrier. It denies that it has or ever had dominance of the market of such production along its lines or a monopoly thereof, or the power to fix prices at any point on its lines or elsewhere. It has no knowledge whether but for such purchase of coal as aforesaid the same would have been sold in interstate and foreign commerce in competition with the rail-

road, or whether or not in the future, if not so purchased, 10337
said coal will be sold in competition. It admits that the business of the railroad has been profitable and that its financial strength is great, but it says that such profit has not been undue or unwarranted.

It admits that the majority of the stock of said defendant railroad is now and has been for some time held by a limited number of individuals and interests, whether by less than twenty-five individuals and interests, it has no knowledge. It denies that said individuals and interests act in concert and unity, except as they do so in 10338
accordance with the provisions of the charter and by-laws of said defendant company. It denies that a still smaller number have and do dominate its affairs and it alleges that its affairs are and have been dominated and controlled by a majority of its stockholders at the time being, as provided by law.

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*Fifth.* Further answering, it admits and alleges that 10339
Section 1 of the Act of Congress, approved February 4th, 1887, entitled "An Act to Regulate Commerce," as amended by the Act approved June 29th, 1906, provides, among other things, as set forth in the petition herein in Sub-division "V" thereof, and that under the provisions thereof, it became unlawful for the defendant to transport, in interstate and foreign commerce, coal purchased by it or produced by the mines which it owned and operated, while it was interested in such coal during the transportation thereof unless the same was intended for its 10340
use in its business as a common carrier.

The defendant further alleges that because of the inhibitions of such section, it became necessary for the defendant railroad company to sell all coal purchased or produced by it prior to the transportation thereof.

It admits that with its knowledge and assent but not at its direction or by representatives or nominees of it or of those controlling its affairs, The Delaware, Lackawanna and Western Coal Company was organized. It admits that it was expected that such coal company would

10341 enter into a contract for the purchase of the coal of the defendant, and it admits that the dividend of fifty per cent. alleged in the petition herein was declared by the Directors of the defendant, among other purposes, to enable its stockholders to subscribe for stock in the coal company if they desired so to do.

It alleges that The Delaware, Lackawanna and Western Coal Company was organized under and pursuant to the direction of counsel employed by persons acting solely on behalf of said coal company, some of whom

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were interested by stock ownership or otherwise in this defendant, and some of whom were not. That neither the incorporators nor the Board of Directors of the said coal company were intended to be nor were they ever in fact, under the control of the railroad company, nor have they ever been the nominees or instruments of those in control of the railroad company. That said coal com-

10343 pany was organized in good faith for the purpose of engaging in the business of the purchase and sale of anthracite coal with the expectation of obtaining a contract with the defendant railroad company for the purchase of its coal, and since the date of its organization it has been controlled in accordance with the provisions of law and its by-laws by the wishes of a majority of its stockholders acting through a Board of Directors elected by a majority of the votes thereof.

It admits and alleges that on or about the first day of July, 1909, the communication set forth in Subdivision

10344 V of the petition herein addressed to the stockholders of The Delaware, Lackawanna and Western Railroad Company was mailed by the Treasurer of The Delaware, Lackawanna and Western Railroad Company to the stockholders thereof, and that the same contained information which the Treasurer of The Delaware, Lackawanna and Western Railroad Company desired to communicate to the stockholders thereof, and also information which counsel for The Delaware, Lackawanna and Western Coal Company requested the Treasurer of The

Delaware, Lackawanna and Western Railroad Company 10345
to include in his circular on behalf of The Delaware, Lackawanna and Western Coal Company. It also admits

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that most of the railroad stockholders in substantially the amount alleged in the petition subscribed for stock of The Delaware, Lackawanna and Western Coal Company, and that on or about August 2nd, 1909, the contract, Exhibit "A," was entered into between the two defendants, 10346
and that upon the execution thereof the defendant coal company took possession of the mined coal theretofore owned by the railroad and entered upon the use of the facilities which it acquired under the terms of said contract, and that the terms of said contract have been and are now being carried into effect in all respects.

It denies that immediately or at any time the two corporations with all their business and assets came into and have ever since remained under the substantial ownership or immediate control of the same individuals.

It admits that William H. Truesdale, President, and 10347
Edward E. Loomis, Vice-President of the railroad, have always been two of the Directors of the coal company and the latter always its President.

It admits and alleges that since August 2nd, 1909, the railroad company has continued to buy some of the output of some of the mines and operations belonging to others located along its lines, amounting in 1911, to about 1,500,000 tons, as hereinbefore set forth, and that it actually and in good faith sells and delivers the same to the defendant coal company and the defendant coal com- 10348
pany actually and in good faith buys and takes delivery and possession thereof along with the product of the railroad company's mines, amounting annually to about five or six million tons, as hereinbefore set forth and alleged, and it denies that such sale, purchase or delivery

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is or has been ostensible or but a form as alleged in the petition.

10349 It further admits and alleges that so much of its coals as the railroad company needs and uses in its own business as a common carrier, about 1,450,000 tons annually, is reserved and not delivered to its co-defendant.

It further admits and alleges that the defendant coal company causes most of the said coal so purchased and delivered to it to be transported in interstate and foreign commerce by the defendant railroad company and by it in connection with other carriers, and that said coal company is carrying on the business of selling said coals
10350 in its own name at sundry points in different states and in Canada, reached by this defendant or by such other carriers, all by and in accordance with the directions of the coal company and by the methods adopted by it and not in accordance with any agreement with this defendant and not subject to the control or interference of this defendant. Defendant further admits and alleges that, as in the past, it intends to continue to transport such coals as are offered to it for transportation by the defendant coal company or by any other shipper, in accordance with the directions of such shippers and the law of
10351 the land and not otherwise.

Further answering, it says it has no knowledge of the amount of the annual sales of the coal company or of the amount thereof inside or outside of the State of Pennsylvania. It admits that the coals which it transports for the coal company as aforesaid are not transported for use of the railroad company in its business as a common carrier.

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It denies that the defendant coal company acquired or has maintained or now maintains a monopoly of the sale of coal produced or sold along this defendant's railroad, or that it has dominated the market at any point, or that effective competition with it is impossible.

*Sixth.* Answering the allegations contained in Subdivision "VI" of said petition, this defendant says that it has no knowledge as to whether changes have occurred in ownership of stock of the defendant coal company. It has no knowledge of the ownership of stock of said coal company. 10353

Defendant's business is owned by itself and not by any group of stockholders, and its affairs and business are managed, directed and controlled by the holders of a majority of its stock at any time being and not by any smaller group or body of individuals. It has no knowledge of the individuals who control or who have controlled the business of the coal company. 10354

It has no knowledge of the result of the operations of the coal company, whether profitable or otherwise, or of the dividends paid or surplus accumulated by it. It denies that it gave the sale's contract referred to in the petition herein to the coal company with any intent that the same should be unduly or unreasonably profitable, but says that it made and entered into said contract for the purpose and with the intent hereinbefore set forth, and with the further purpose and intent of disposing of its coal to the best advantage under the existing circumstances, and of thereby conserving the interests of its stockholders. 10355

It denies that the affairs of the defendants herein have been carried on in accord and unison. The busi-



ness of this defendant has been carried on with the intent and for the purpose of securing to it and its stockholders the best result from the proper and lawful use and administration of its property without interference with or intervention in the affairs of the defendant coal company, and without interference with its affairs on the part of the coal company. 10356

It denies that this defendant organized the defendant coal company, or that it ever was its purpose or the purpose of those who have controlled or do control defendant to use the coal company as a mere instrumen-

10357 tality or that the coal company has been a mere instrumentality, whether for retaining under the direction of the defendant railroad company or for its profit, the business of selling coal theretofore carried on by it or otherwise, or that Exhibit "A" has or has had any such effect. As stated heretofore, since August 2nd, 1909, this defendant has had no direction or control over the business of selling coal. It denies that the coal company is or ever has been subservient to the will or direction of the railroad company, or of those who control
10358 it. It denies that the majority in interest of the stockholders of this defendant control the coal company or elect its officers or determine its policies, or will always or for any time constitute the dominant or majority stockholders of the coal company.

It denies that the business of the coal company would be destroyed by a termination of the contract, Exhibit "A." It denies that defendant railroad company or those who control it have the power to or could take away or destroy the business of the defendant coal com-
10359 pany, whether on six months' notice or otherwise.

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It denies that the defendant coal company or the contracts or arrangements existing between it and this defendant are either or any of them substerfuges or devices or damaging to the public, as alleged. It denies, as it has heretofore denied, that the coal company has acquired a monopoly of the sale of coal produced along
10360 the line of this defendant, or elsewhere. It says, as it has heretofore said, that this defendant lawfully and in good faith sells and delivers, f. o. b. cars at the mines all coal which it mines or produces or purchases (except the part retained by it for its use and the part sold to employees) before transportation begins, and that thereby the complete title thereto passes to the vendee thereof, and that thereby this defendant dissociates itself from such coals and from all interest direct or indirect therein.

It further denies that the contract, Exhibit "A" set 10361
forth in the petition, hinders or prevents this defendant from freely fixing its rates for the transportation of coal or that it introduces a factor into the determination of the question relating thereto which may not be considered consistent with the rights of the public or which tends to keep such rates high. Such rates are not high. It denies that such contract is a barrier against reductions in the railroad company's freight rates, or that the same is an inducement to higher rates, or that the same is in restraint of interstate or foreign trade or com- 10362
merce.

It denies that the purchase of coal by defendant for resale is incompatible with its duties as a public carrier or that the tendency thereof is to produce a monopoly or to hinder or restrain interstate or foreign commerce in coals.

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*Seventh.* This defendant prays to be hence dismissed 10363
with its reasonable costs and charges in this behalf most wrongfully sustained.

THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD COMPANY,

By ARTHUR D. CHAMBERS,
Secretary.

[SEAL.]

WILLIAM S. JENNEY,
Solicitor and Counsel for said Defendant.

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10365 **DISTRICT COURT OF THE UNITED STATES,**

FOR THE DISTRICT OF NEW JERSEY.

UNITED STATES OF AMERICA,
Petitioner,

*against*

10366 THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD COMPANY, and THE DELAWARE, LACKAWANNA AND WESTERN COAL COMPANY,
Defendants.

In Equity.
No.

**Answer of the Defendant, The Delaware, Lackawanna and Western Coal Company.**

10367 Defendant, The Delaware, Lackawanna and Western Coal Company, answers the petition herein, as follows:

*First.* This defendant admits that this proceeding is brought under the directions of the Attorney General of the United States. It denies that it is or has been violating any of the provisions of law referred to in the petition or any law.

*Second.* Further answering, this defendant admits and alleges that it is a corporation duly organized and existing under the laws of the State of New Jersey, with
10368 its principal office at Hoboken in said State; that its outstanding capital stock is $6,590,700.00. It further



admits and alleges that among the objects for which it was established and the powers granted to it are those set forth in Paragraph "II" of the petition.

It further admits and alleges that it is now and since August 2nd, 1909, has been engaged in the business of

dealing in anthracite coal at sundry places, towns and cities, including Hoboken, New Jersey, within the States of New Jersey, Pennsylvania and New York, and other States and in Canada, which are reached either by defendant railroad company or by defendant railroad company in conjunction with its connecting carriers; that at Hoboken, New Jersey, is situated the New York harbor terminals of the defendant railroad company to which it constantly transports from the mines in Pennsylvania large quantities (not in an amount as great as 3,000,000 tons per annum as alleged) of the coals accepted there by the defendant coal company under the terms of the agreement, Exhibit "A," attached to the petition. It also has agents and offices and carries on business in other States than the three herein specifically mentioned. 10369 10370

Defendant further answering, admits and alleges that The Delaware, Lackawanna and Western Railroad Company is a corporation duly organized and existing under and by virtue of the laws of the State of Pennsylvania, with offices at Scranton, in New York City, and within this judicial district; that it has by its charter and franchises the power and authority set forth in Paragraph "II" of the petition; that it operates as one system lines of railroad in the States of New Jersey, Pennsylvania and New York, connecting among other places therein Hoboken, Scranton and Northumberland, and Utica, 10371



Binghamton, Oswego and Buffalo; also many lateral and branch lines, some of which reach the anthracite mines owned by the defendant railroad company, and also some owned by others lying within the Counties of Luzerne and Lackawanna, and in the Wyoming Region of the anthracite fields. It has no knowledge of the ownership of such lines or of the contracts or arrangements under which the same are operated, or the length of time during which such ownership, contracts and arrangements have existed. It further admits that over such lines the defendant railroad company is and has been engaged (for how long this defendant does not know) in inter- 10372

10373 state and foreign commerce as a common carrier of passengers and freight, especially of anthracite coal not intended for its own use. It has no knowledge of the ownership or operation of marine barges referred to in Paragraph "II" of the said petition.

It has no knowledge of the acquisition of coal lands by the defendant railroad company or of the extent of its holdings thereof. It admits that the defendant railroad company is and has been constantly operating collieries in the coal fields of Pennsylvania. This defendant does
10374 not know what has been or is the annual output thereof. It admits that a large quantity of such output intended for sale and distribution in different States (not 7,000,000 to 8,000,000 tons annually as alleged, but 5,000,000 to 6,000,000 tons annually) not necessary or intended for the use of the defendant railroad company in its business as a common carrier, has been and now is loaded upon its cars at the breakers and then carried by such railroad company in interstate and foreign commerce to various points outside of Pennsylvania. Such has been
10375 the course of conduct of said defendant railroad company since August 2nd, 1909; it has no knowledge thereof prior to such date. It further admits that since August



2nd, 1909, part of the output so carried has moved and now moves to the North and West and part thereof (not as much as 3,000,000 tons as alleged), mostly smaller sizes, has been and is carried to Hoboken, New Jersey, on the New York harbor, and sold there. It has no
10376 knowledge of the course which defendant railroad company intends to pursue in the future in regard to such transportation.

Further answering, it admits that since August 2nd, 1909, the defendant railroad company has been accustomed to buy some of the output shipped from some of the mines and breakers located along its line which are owned and operated by others. Such has been the course or conduct of the defendant railroad company since August 2nd, 1909. It has no knowledge of the practices

of said defendant in this regard prior to said date, or 10377
of the proportion of the output of such mines and breakers which defendant has purchased, or of the extent of the tonnage purchased in the year 1911. It admits that the defendant railroad company has transported most of the tonnage so purchased in interstate and foreign commerce. It has no knowledge of the course in that regard which defendant railroad company intends to pursue in the future.

*Third.* This defendant denies that anthracite coal is 10378
an article of prime necessity, or that the same is in general use for domestic purposes throughout New England and Middle Atlantic States. It admits that an-



thracite is largely used for domestic purposes at many points in New England and the Middle Atlantic States, and that it is also largely burned in other sections of the Union and in Canada; that the smaller sizes are
much in demand for steam purposes in and about New 10379
York City, Boston and other large eastern cities. It admits that the anthracite which it handles is derived solely from the Wyoming coal field in northeastern Pennsylvania. It has no knowledge as to whether the source of the entire supply is in northeastern Pennsylvania, or as to the extent of the area of unmined coal referred to in the petition. It admits that the anthracite fields are divided for trade purposes into the Wyoming, Lehigh and Schuylkill regions.

Further answering, this defendant says that it has no 10380
knowledge of the annual output of the mines, or of the proportion thereof consumed at or near the collieries, or of the disposition made of the remainder, except as to that part thereof handled by it.

This defendant admits that with the exception of the Delaware & Hudson Company, all of the railroads named in Paragraph "III" of said petition reach New York harbor; that the terminals of the railroads carrying anthracite coals to New York harbor are at separate points

10381 on the Jersey shore from Edgewater on the north to South Amboy on the south.

It has no knowledge of the proportion of the total shipments of anthracite moving by rail which is carried to New York harbor, or which is sold there, or of the total tonnage annually sold there.

It denies that the rates for the transportation of coal



10382 from the mines to New York harbor via the routes of the various interstate carriers are approximately the same, or that New York harbor is the most important market for anthracite coal, or that the same is the chief distributing point therefor, or that the prices prevailing there fix or regulate those in other markets.

Defendant has no knowledge of the practices of other carriers or coal companies in that regard, but it denies that all of the anthracite coal which it ships to New York harbor is dumped into barges or quoted or sold f. o. b. thereof. It admits and alleges that all of such coal is

10383 weighed at the New York harbor terminals of the transportation company carrying it; that part thereof is screened and dumped into barges; that part of it is floated in the cars to various points in the harbor without screening or dumping, and a part is weighed and dumped into barges, quoted and sold f. o. b. thereof.

Defendant has no knowledge of the practice or conduct of railroad companies or other coal companies in that regard, but it denies that it engrosses or has engrossed the output of the collieries, or that it has gained control

10384 of the output of the mines and the sale of the same, or that it makes or controls the prices of anthracite at New York harbor, or elsewhere.

It admits that the quantity of coal sold at New York harbor and the amount received therefor are reported monthly by the sellers to a bureau of statistics sustained by them jointly, and that the average selling price of all such coal is then sent out to such sellers.

Further answering, it denies that the prices quoted and demanded for anthracite f. o. b. New York harbor

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are uniform or substantially uniform. It admits and alleges that the prices now quoted and demanded by it for anthracite f. o. b. New York harbor are from $5.25 per ton for certain prepared sizes down to $1.85 per ton for the sizes known as barley. It denies that such prices depend upon freight charges, or that such prices would vary with such charges under any circumstances. It denies that the present tariff schedules of the carriers fix such rates at the amounts set forth and alleged in the petition.

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*Fourth.* Answering the allegations in Paragraph "IV" of the petition contained, this defendant says that it has no knowledge of the practices or conduct of the defendant railroad company prior to August 2nd, 1909, or of the effect or consequences thereof, or of the result of the business of the defendant railroad company, or of its strength financially, or of the ownership or holdings of stock in the defendant railroad company, or of the individuals and interests which dominate or control its affairs, or of the manner or method of conducting its business alleged in said paragraph.

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*Fifth.* Further answering, this defendant admits that Section 1 of the Act of Congress, approved February 4th, 1887, entitled "An Act to Regulate Commerce" as amended by the Act approved June 29th, 1906, provides, among other things as set forth in Paragraph "V" of the petition herein. Further answering, defendant says that it has no knowledge of the result of the business of the defendant railroad company, or of the desires, purposes or determination of those dominating or controlling it.

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It alleges that The Delaware, Lackawanna and Western Coal Company was lawfully and in good faith organized, with the share capital alleged in Paragraph "V" of the

10389 petition under and in pursuance of directions of counsel acting in its behalf for the purpose of engaging in the business of merchandising coal, and with the purpose in view of contracting with the defendant railroad company for the purchase of its coal. From the beginning it has been controlled by a majority in interest of its stockholders acting through a Board of Directors duly elected and constituted by a majority of the votes of such stockholders—all in accordance with the provisions of the law and of its by-laws. It denies that any of the
10390 incorporators, or any of the Board of Directors of this defendant were ever the nominees or representatives or instruments or ever under the control of the defendant railroad company, or those in control thereof.

It denies that its shares were intended for distribution among stockholders of defendant railroad company, *pro rata* or otherwise. It denies that its capitalization is large.

This defendant admits and alleges that on or about July 1st, 1909, the Treasurer of the Delaware, Lackawanna and Western Railroad Company mailed the com-
10391 munication set forth in Sub-division "V" of the petition herein to the various stockholders of such company. It has no knowledge of the stockholders of defendant railroad company who did or did not subscribe for its stock.

It admits that on or about August 2nd, 1909, it entered into the contract, Exhibit "A;" that on the execution thereof this defendant entered into possession of the mined coal of the defendant railroad company and entered upon the use and possession of the facilities ac-

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quired by it under the terms of said contract, and that the provisions of Exhibit "A" have been and now are being carried into effect.

It denies that immediately upon the execution of said contract, or at any time, this corporation, or its business or assets, came into the ownership of any individual or group of individuals, or into the control of any individual or group of individuals except as hereinbefore admitted and alleged.

It admits that William H. Truesdale, President, and 10393
Edward E. Loomis, Vice-President of the defendant railroad company have always been two of the Directors of this defendant, and the latter always its President.

The defendant coal company has no knowledge except as hereinbefore admitted of the conduct of the defendant railroad company in respect of the purchase of coal belonging to others, or of the tonnage of such purchases in 1911. It alleges that such coal as is turned over to it by the defendant railroad company is actually and in good faith sold and delivered to it, and this defendant 10394
actually and in good faith buys and takes delivery and possession thereof, and that the amount thereof so sold and delivered amounts annually to from 6,000,000 tons to 8,000,000 tons. It denies that such sale, purchase or delivery is or has been ostensible merely or but a form, as alleged in the petition.

This defendant further admits and alleges that most of the coal so sold and delivered to it by the railroad company, it causes to be transported in interstate and foreign commerce by the defendant railroad company, and by it and its connecting carriers, and that it is carrying on the business of selling the same at the sundry 10395



points in different States and in Canada, reached by the defendant railroad company and by its connecting carriers under directions and by methods of this defendant, and not in accordance with an agreement with the defendant railroad company, or by methods adopted by it, and that it intends to continue such course in the future.

It admits and alleges that the annual sales of the coal 10396
company amount to from 6,000,000 to 8,000,000 tons, all secured from the defendant railroad company and transported by it as aforesaid. It admits that four-fifths of such sales are and have been outside of Pennsylvania, and that the coal, so secured is not transported for use by such railroad in its business as a common carrier.

This defendant denies that it acquired or has maintained or now maintains a monopoly of the sale of coal produced along defendant railroad company's railroad

10397 or elsewhere, or that it has dominated the markets at any point on the railroad of the defendant railroad company or elsewhere, or that effective competition with it is or has been impossible. And it alleges that many producers and vendors of coal have competed and do freely compete with it in the markets at all of such points.

*Sixth.* Answering the allegations in Paragraph "VI" of said petition contained, this defendant admits and alleges that there have been many changes in the owner-
10398 ship of its stock since its organization. It has no knowledge as to whether its stockholders and those of the defendant railroad who own and control not less than 85% of the shares of both have been or now are the same individuals or their representatives. It has no knowledge



of the ownership of the stock in the defendant railroad company or of the individuals or interests who dominate or control the affairs of such company.

10399 It admits that the operations of the coal company have been profitable, but it denies that such profits have been immense or undue or unwarranted or that they should be so was intended by those who procured its organization. It further admits that dividends have been paid at the rate of 10% per annum and that a surplus exceeding $3,500,000.00 has been accumulated.

It denies that its affairs have been carried on in accord and unison with those of the defendant railroad company or with the purpose or effect of enriching the shareholders of the defendant railroad company.

10400 It denies that the coal company is or has ever been subservient to the will and direction of the defendant railroad company or those who control the latter or that those who control the defendant railroad company elect this defendant's officers or determine its policies, or that its business may be destroyed by them. It denies that the organization of this defendant or any of the contracts or arrangements existing between the parties defendant hereto are or have been subterfuges or devices as alleged in the petition, or are or have been damaging to the public.

It denies, as it has heretofore denied, that this defend- 10401
ant has acquired a monopoly of the sale of coal produced along the line of the defendant railroad company or elsewhere.

It denies that at any time during the course of transportation the carrier has any interest in any of the coal



accepted and purchased by this defendant, and delivered to it as aforesaid, and it alleges that it in good faith buys and accepts delivery f. o. b. cars at the mines of all coals 10402
offered to it by the defendant railroad company before the transportation thereof begins, and that thereby the complete title thereto passes to this defendant and remains with it during such transportation.

This defendant denies that the contract, Exhibit "A" in anywise hinders or prevents the free fixing of rates for the transportation of coal, or that it introduces a factor into the determination of questions relating thereto which may not be considered consistently with the rights of the public, or that the same introduces a factor tending to keep such rates high or that such contract is a 10403
barrier against reductions in the railroad company's freight rates or that the same is an inducement to higher rates or that the same is in restraint of interstate or foreign trade or commerce.

It further denies that the price of coal at New York harbor is in any substantial degree affected by the freight rate, or that the higher the freight rate from the mines to New York harbor, the higher the prices will be; all of which matters and things this defendant is ready and willing to aver, maintain and prove as this Honorable 10404
Court shall direct, and prays to be hence dismissed with its reasonable costs and charges in this behalf most wrongfully sustained.

THE DELAWARE, LACKAWANNA
AND WESTERN COAL COMPANY,
By J. J. A. Owens,
[SEAL.] Secretary.

JOHN G. JOHNSON,
Solicitor and Counsel of said Defendant.

10405 **UNITED STATES DISTRICT COURT,**

DISTRICT OF NEW JERSEY.

Before—GRAY, BUFFINGTON and MCPHERSON,
Circuit Judges.

| | |
|---|---|
| UNITED STATES<br><br>10406 *v.*<br><br>DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY, and DELAWARE, LACKAWANNA & WESTERN COAL COMPANY. | No. 297.<br>In Equity. |

**Final Hearing.**

MCPHERSON, Circuit Judge:

10407 This proceeding is based chiefly upon the Commodities Clause (Act of June 29, 1906, U. S. Comp. Stat., Supp. of 1911, page 1287), which forbids any railroad company to carry in interstate commerce after May 1, 1908.

> "* * * any article or commodity other than timber and the manufactured products thereof, manufactured, mined, or produced, by it or under its authority, or which it may own in whole or in part, or in which it may have any interest direct or indirect, except such articles or commodities as may
> 10408 be necessary and intended for its use in the conduct of its business as a common carrier."

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The Government's contention is, that the Delaware, Lackawanna & Western Railroad Company is violating this statute because it is carrying in such commerce anthracite coal originally produced by its own mines in Pennsylvania or bought from other mine-owners in that

State, the Government alleging that during such carri- 10409
age the railroad continuously retains some kind or degree of interest or ownership in the coal. The railroad denies that any such interest or ownership exists, averring that the coal is sold in good faith before the carriage begins; the other defendant, the Delaware, Lackawanna & Western Coal Co., being the buyer under a contract that will be referred to hereafter. The Government attacks this contract, declaring it to be merely a subterfuge, and to have no effect in divesting or modifying the railroad's title. The questions raised by the 10410
record are of very great importance, and it is therefore a matter for much satisfaction that the Supreme Court has already considered the general subject, and has laid down the rules by which the controversy must be decided. We think it desirable to preface the discussion by stating in sufficient outline (even at the risk of seeming diffuse), what has been said and done in two previous suits where the meaning and effect of the clause under consideration were directly involved.

In June, 1908, the defendant railroad and five other 10411
coal carrying roads were brought into the Circuit Court for the Eastern District of Pennsylvania, charged with violating the statute. The companies appeared and defended, and the cases were argued upon the several bills or petitions and the answers thereto, no testimony hav-



ing been taken. In September of that year the Circuit Court dismissed the proceedings, one of the Judges dissenting. The majority opinion (164 Fed., 215, *et* 10412
*seq.*), was put upon the ground—we state it briefly, and in general terms—that under the proper construction of the statute a railroad was forbidden to carry its own coal to market, and was thus deprived of its property in violation of the Fifth Amendment to the Federal Constitution. The dissenting opinion rests upon the propositions, that the power to regulate commerce includes the power to regulate the carrier, and that commerce might be lawfully regulated by ordaining that a public carrier

10413 should not also be a private shipper. The cases were then appealed to the Supreme Court, and were decided by that tribunal early in May, 1909; United States *v.* Delaware & Hudson Co., 213 U. S., 367, *et seq.* The opinion shows that the Court did not pass upon the differing views of the Circuit Judges, and did not find it necessary to discuss the Fifth Amendment. But the Government's contention concerning the scope and meaning of the clause was stated, and the far-reaching consequences of such contention were recognized. The pres-
10414 ent Chief Justice (who wrote the opinion of the Court) declared (p. 406) that

> "• • • If the contention of the Government as to the meaning of the commodities clause be well founded, at least a majority of the Court are of the opinion that we may not avoid determining the following grave constitutional questions:
>
> "1. Whether the power of Congress to regulate commerce embraces the authority to control or prohibit the mining, manufacturing, production, or

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> ownership of an article or commodity, not because of some inherent quality of the commodity, but simply because it may become the subject of interstate commerce.
>
> "2. If the right to regulate commerce does not thus extend, can it be impliedly made to embrace subjects which it does not control, by forbidding a
10416 railroad company engaged in interstate commerce from carrying lawful articles or commodities, because, at some time prior to the transportation, it had manufactured, mined, produced or owned them, etc.? And involved in the determination of the foregoing questions we shall necessarily be called upon to decide.
>
> "(a) Did the adoption of the constitution and the grant of power to Congress to regulate commerce

have the effect of depriving the States of the authority to endow a carrier with the attribute of producing as well as transporting particular commodities, a power which the States from the beginning have freely exercised, and by the exertion of which governmental power the resources of the several States have been developed, their enterprises fostered, and vast investments of capital have been made possible? 10417

"(b) Although the Government of the United States, both within its spheres of national and local legislative power, has in the past for public purposes, either expressly or impliedly, authorized the manufacture, mining, production, and carriage of commodities by one and the same railway corporation, was the exertion of such power beyond the scope of 10418



the authority of Congress, or, what is equivalent thereto, was its exercise but a mere license subject at any time to be revoked and completely destroyed by means of a regulation of commerce?" 10419

Upon these serious questions, however, the Court intimated no opinion, because an analysis of the clause and the ascertainment of its true meaning thereby rendered such an opinion unnecessary. Without following the analysis, it is enough to say that the Court did not approve either of the constructions maintained in the opinions of the Circuit Court, but reached its own conclusions on this subject, stating the true meaning of the statute to be as follows (p. 415): 10420

"We then construe the statute as prohibiting a railroad company engaged in interstate commerce from transporting in such commerce articles or commodities under the following circumstances and conditions:

"(a) When the article or commodity has been manufactured, mined, or produced, by a carrier or

10421 under its authority, and at the time of transportation the carrier has not in good faith before the act of transportation dissociated itself from such article or commodity;

"(b) When the carrier owns the article or commodity to be transported in whole or in part;

"(c) When the carrier at the time of transportation has an interest, direct or indirect, in a legal or equitable sense, in the article or commodity, not including, therefore, articles or commodities manufactured, mined, produced, or owned, etc., by a *bona fide* corporation in which the railroad company is a stockholder."

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In the Circuit Court no testimony had been taken, but the controversy had been heard upon the pleadings, and mainly for this reason the Supreme Court did not give particular directions concerning each defendant, but re-
10423 manded with general instructions that such further proceedings be taken as should be necessary to apply and enforce the statute interpreted as just set forth.

After the cases had been sent back for further proceedings, the Government in March, 1910, asked leave to amend its charge against the Lehigh Valley Railroad Company, one of the six roads originally attacked. This amendment was afterward summarized by the Supreme Court in 220 U. S., at page 268 as follows:

10424 "In substance it was averred that as to this particular coal company the railroad company was not only the owner of all the stock issued by the coal company, but that the railroad company so used the power thus resulting from its stock ownership as to deprive the coal company of all real independent existence and to make it virtually but an agency or dependency or department of the railroad company. In other words, in great detail facts were averred which tended to establish that there was no distinction in practice between the coal company and the

railroad company, the latter using the coal company 10425
as a mere device to enable the railroad company to violate the provisions of the commodities clause. It was expressly charged that in consequence of these facts:

" 'The coal company is not a *bona fide* mining company, but is merely an adjunct or instrumentality of the defendant. The defendant is in legal effect the

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owner of and has a pecuniary interest in the coal 10426
mined by the coal company, and which is transported by the defendant.'

"Not only was it thus charged that the railroad company used its stock ownership to so commingle the operations of the affairs of the mining company with its own as to render it impossible to distinguish as a matter of fact between them, but it was moreover expressly in substance charged that exerting its influence as the owner of all the stock of the coal company the railroad company caused the coal company 10427
to buy up all the coal produced by other mining companies in the area tributary to the railroad and fixed the price at which such coal was bought so as to control the same and the transportation thereof and establish the price at which the coal thus ostensibly acquired by the coal company by purchase should be sold when it reached the seaboard.

"It was charged that by these abuses, the production, shipment and sale of all the coal within the territory served by the railroad company was 10428
brought within the dominion of that company practically to the same extent as if it was the absolute owner of the same. Finally it was alleged as follows:

" 'That by virtue of the facts hereinbefore set out and otherwise, and more particularly by virtue of the control, direction, dominion, and supervision exercised by the persons who are the officers of the defendant railroad and by the defendant over all the

10429 operations of the said coal company, embracing the mining and production of said coal, the shipment and transportation of the same over the defendant railroad, and the sale thereof at the seaboard, it follows:

"'First. That the coal company, not being in sub-



stance and in good faith a *bona fide* corporation,
10430 separate from the defendant, but a mere adjunct or instrumentality of the defendant, the defendant at the time of transportation, has an interest, direct or indirect, in a legal or equitable sense, in said coal.

"'Second. That said coal of said coal company is mined and produced under the authority of defendant, and the defendant at the time of transportation and before the act of transportation has not in good faith dissociated itself from all exercise of authority over said coal, but continues to exercise au-
10431 thority over said coal at the time of transportation and over the subsequent sale thereof.'"

The Circuit Court refused permission to make this amendment—the refusal apparently resting upon the ground that the amendment added nothing essentially new to the original cause of action—and again entered a final decree against the Government. Thereupon another appeal was taken to the Supreme Court, and the Court held (United States *v.* Lehigh Valley Co., 220 U.
10432 S., 257, *et seq.*), that the amendment should have been allowed, declaring that the additions thereby proposed to the original bill were not foreclosed by the decision in the Delaware & Hudson Company's case. After summarizing the amendment in the words quoted above, the Chief Justice went on to say (p. 271):

"While that decision expressly held that stock ownership by a railroad company in a *bona fide* corporation, irrespective of the extent of such ownership, did not preclude a railroad company

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from transporting the commodities manufactured, mined, produced, or owned by such corporation, nothing in that conclusion foreclosed the right of the Government to question the power of a railroad company to transport in interstate commerce a commodity manufactured, mined, owned or produced by a corporation in which the railroad held stock and where the power of the railroad company as a stockholder was used to obliterate all distinctions be- 10434
tween the two corporations. That is to say, where the power was exerted in such a manner as to so commingle the affairs of both as by necessary effect to make such affairs practically indistinguishable and therefore to cause both corporations to be one for all purposes. To what extent the amendment charged this to be the case will become manifest by again particularly considering its averments concerning the use by the railroad company of the coal company as a purchaser of coal, as also the direct charge made in the proposed amendment that by 10435
such acts the railroad company was enabled to control all or a greater portion of the coal produced in the region tributary to its road, and thus to dominate the situation and fix the price, not only at which all the coal could be bought, but at which it could be sold at the seaboard for consumption.

"That the facts thus averred and the other allegations contained in the proposed amended bill tended to show an actual control by the railroad company over the property of the coal company and an actual 10436



interest in such property beyond the mere interest which the railroad company would have had as a holder of stock in the coal company, is we think, clear. The alleged facts, therefore, brought the railroad company, so far as its right to carry the product of the coal company is concerned, within

10437 the general prohibitions of the commodities clause, unless for some reason the right of the railroad company to carry such product was not within the operation of that clause. The argument is that the railroad company was so excepted, because any control which it exerted or interest which it had in the product of the coal company resulted from its ownership of stock in that company, and would not have existed without such ownership. The error, however, lies in disregarding the fact that the allega-
10438 tions of the amended bill asserted the existence of a control by the railroad company over the coal corporation and its products, rendered possible, it is true, by the ownership of stock, but which was not the necessary result of a *bona fide* exercise of such ownership and which could only have arisen through the use by the railroad of its stock ownership for the purpose of giving it, the railroad company, as a corporation for its own corporate purposes, complete power over the affairs of the coal company, just as if the coal company were a mere depart-
10439 ment of the railroad. Indeed, such a situation could not have existed had the fact that the two corporations were separate and distinct legal entities been regarded in the administration of the affairs of the coal company. Granting this to be the case, however, it is in effect urged, as the railroad company held all the stock in the coal company, and therefore any gain made or loss suffered by that company would be sustained by the railroad company, no harm resulted from commingling the affairs of the
10440 two corporations and disregarding the fact that they were separate juridical beings, because ulti-



mately considered they were but one and the same. This, however, in substance but amounts to asserting that the direct prohibition of the commodities clause ought to have been applied to a case of stock ownership, particularly to a case where the ownership

embraced all the stock of a producing company, and 10441
therefore that a mistake was committed by Congress in not including such stock ownership within the prohibitions of the commodities clause. We fail, however, to appreciate the relevancy of the contention. Our duty is to enforce the Statute and not to exclude from its prohibitions things which are properly embraced within them. Coming to discharge this duty it follows, in view of the express prohibitions of the commodities clause, it must be held that while the right of a railroad company as 10442
a stockholder to use its stock ownership for the purpose of a *bona fide* separate administration of the affairs of a corporation in which it has a stock interest may not be denied, the use of such stock ownership in substance for the purpose of destroying the entity of a producing, etc., corporation and of commingling its affairs in administration with the affairs of the railroad company, so as to make the two corporations virtually one, brings the railroad company so voluntarily acting as to such producing, etc., corporation within the prohibitions of 10443
the commodities clause. In other words, that by op-



eration and effect of the commodities clause there is a duty cast upon a railroad company proposing to carry in interstate commerce the product of a producing, etc., corporation in which it has a stock interest not to abuse such power so as virtually to do by indirection that which the commodities clause 10444
prohibits, a duty which plainly would be violated by the unnecessary commingling of the affairs of the producing company with its own, so as to cause them to be one and inseparable."

It will be observed that (for the purpose of deciding whether the Government's motion should have been allowed), the Supreme Court necessarily assumed that the averments of the proposed amendment were true, and

10445 while a summary of these averments has already been given it may therefore be useful to give the full text in the margin.

(In the margin.*)

*"The defendant (the Lehigh Valley Railroad Co.) continuously for several years last past has been and now is the owner of the entire capital stock of the Lehigh Valley Coal Company, hereinafter called 'the coal company,' a corporation of the State of Pennsylvania, which holds by conveyances and leases anthracite coal lands and coal mines situated in the counties of Carbon, Lehigh, Luzerne and Wyoming, in the State of Pennsylvania, which mines have been and are being operated in the mining of coal, and are tributary to the lines of transportation operated
10446 by the defendant, and the coal so mined has been and is being carried by the defendant over its said lines of transportation. There have been and are a large number of other companies and individuals situated in the same localities and engaged in the mining of such anthracite coal and in shipping the same over the lines of transportation owned by the defendant to markets in other States in competition with each other and the Coal Company.

"The Coal Company is so organized and controlled by the defendant and its affairs are so conducted as to make it merely an instrumentality or adjunct of the defendant. That the Coal Company is a mere adjunct, instrumentality or department of the defendant appears from he following facts, among others:

"For a long time past the defendant has owned and now owns the entire capital stock of the Coal Company.

"For a long time past the officers of the defendant have been and
10447 are now the principal officers of the Coal Company. They are appointed officers of the Coal Company through the influence of the defendant, and for the reason that they are, respectively officers, of the defendant; as officers of the Coal Company they are acting merely on behalf of and for the defendant, and under the direction and instructions of the latter.

"Specifying the officers more particularly:

"The president of the defendant, E. B. Thomas, is president of the Coal Company; the first vice-president of the defendant, J. A. Middleton, is second vice-president of the Coal Company; the assistant to the president of the defendant, L. D. Smith, is assistant to the president of the Coal Company; the secretary of the defendant, D. J. Baird, is secretary of the Coal Company; the treasurer of the defendant, W. C. Alderson, is treasurer of the Coal Company; the assistant treasurer of the defendant, J. M. Baxter is assistant treasurer of the Coal Company; the assistant secretary of the defendant, E. A. Albright, is assistant secretary of the Coal Company; the assistant treasurer of the defendant,
10448 J. William Robbins, is assistant secretary of the Coal Company.

"Of the six directors of the Coal Company, the following, to wit, George F. Baker and E. T. Stotesbury, are directors of the defendant, and J. A. Middleton and L. D. Smith are, respectively, first vice-president and assistant to the president of defendant.

"E. B. Thomas, E. T. Stotesbury, and George F. Baker, who are on the executive committee of the Coal Company are also on the executive committee of the defendant.

"The defendant, by reason of the fact that it owns the entire capital stock of the Coal Company, is enabled to and does dictate who shall be elected directors of the Coal Company, who shall be its officers and employees, and who shall be on the various committees.

"Each of the above-named officers, directors, and committee-men, and others not specified, is appointed to his position in the Coal Company by reason of his holding a position with the defendant, thereby enabling

him in all matters to act in the interests and on behalf of the defendant, and in the position in the Coal Company to which he has been appointed he acts in reality for and on behalf of the defendant and under the directions of the latter. 10449

"The Coal Company uses the offices of the defendant, and the work of the Coal Company is carried on over the desks belonging to the defendant. The Coal Company in fact is nothing more than a department of the defendant, being operated by officers who in their principal capacity are officers of the defendant and by virtue of their position in the defendant, control and dominate the actions of the Coal Company.

"The defendant, through its officers and directors, exercises a supervision over the coal minded by the Coal Company from the time of the mining of said coal to the sale of the same at New York and other markets. The defendant, through its officers and directors, determines how much coal the Coal Company shall mine, it dictates the shipment and transportation of said coal over its own lines, and it fixes, regulates, and determines the price at which the Coal Company shall sell the coal at the Atlantic Seaboard and other places to which it has been transported over the lines of the defendant or at the dictation of the defendant. 10450

"Acting under the direction and instructions of the defendant, and of its officers and directors, the Coal Company has entered and is entering into contracts with other companies and individuals, producers and miners of coal, and tributary to the lines of transportation owned by defendant and to other railroads, for the purchase of the coal miined by said companies and individuals. The defendant causes this coal to be shipped and transported over its own lines, and, acting through the Coal Company, it fixes and determines the prices at which such coal shall be sold after transportation to the Atlantic seaboard and other markets. The Coal Company as a rule loses money on these transactions, as the amount received by it for the coal which it has bought from such companies and individuals generally do not equal the price paid by it for the coal plus the cost of transportation to market. The purpose of the 10451 defendant in compelling the Coal Company to enter into such contracts with other coal companies and individuals is thereby to remove the competition which would otherwise exist between the coal mined and sold by such companies and the coal controlled by the defendant through the Coal Company, and furthermore, to enable the defendant by means of these contracts to dictate the transportation of such coal over its own lines, and to obtain the freight charged therefor.

"The Coal Company has not paid any dividends upon its stock during the time such stock has been owned by the defendant. It has been furnished millions of dollars by the defendant, which it has never refunded, and upon which during many years it paid no interest. The defendant has guaranteed bonds of the Coal Company, and paid interest on such bonds. The earnings of the defendant received for the transportation over its lines of the coal produced by the Coal Company and of the coal controlled by means of the contracts above described compensates the defendant for the failure of the Coal Company to pay 10452 dividends on its stock.

"The operation of the Coal Company by the defendant in effect merely is a device for evading the law, and more particularly the provisions of the said commodities clause. The Coal Company is not a *bona fide* mining Company, but is merely an adjunct or instrumentality of the defendant. The defendant is in legal effect the owner of and has a pecuniary interest in the coal mined by the Coal Company, and which is transported by the defendant.

"That by virtue of the facts hereinbefore set out and otherwise, and more particularly by virtue of the control, direction, domination, and supervision exercised by the persons who are the officers of the defendant railroad and by the defendant over all the operations of said Coal Company, embracing the mining and production of said coal, the shipment

10453 and transportation of the same over the defendant railroad, and the sale thereof at the seaboard, it follows:

"First. That the Coal Company, not being in substance and in good faith a *bona fide* corporation, separate from the defendant, but a mere adjunct or instrumentality of the defendant, the defendant, at the time of transportation, has an interest, direct or indirect, in a legal or equitable sense, in said coal.

"Second. That said coal of said Coal Company is mined and produced under the authority of defendant, and the defendant at the time of transportation and before the act of transportation has not in good faith, dissociated itself from all exercise of authority over said coal, but continues to exercise authority over said coal, at the time of transportation and over the subsequent sale thereof.

"Therefore the transportation of said coal by the defendant in the manner and under the circumstances hereinabove described constitutes a
10454 violation of the fifth paragraph of the first section of said 'act to regulate commerce,' as amended by an act of Congress approved June 29, 1906."

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We repeat that the language just quoted from the opinion in the Lehigh Valley case was used upon the assumption that the averments of the proposed amendment were true, and it is these therefore that were held to describe a relation, and particularly to describe a
10455 course of conduct or a series of acts, that "obliterated all distinction between the two corporations," and that so commingled their affairs "as by necessary effect to make these affairs practically indistinguishable, and thus to cause both corporations to be one for all purposes." It was held, that, although a railroad company may carry in interstate commerce the product of a manufacturing, mining, producing, or owning corporation in which the railroad has a stock interest, the power given by such interest must not be abused; for the duty that
10456 rests upon the railroad not to abuse such power, "so as virtually to do by indirection that which the Commodities Clause prohibits, * * * plainly would be vio-

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lated by the unnecessary commingling of the affairs of the producing company with its own so as to cause them to be one and inseparable."

The opinion in the Lehigh Valley case was delivered in April, 1911, and the Reports of the Attorney General

for 1911 and 1912 contain references to the subject. In 10457
the Report for 1911 the two decisions of the Supreme Court are thus referred to:

"As stated in my last annual report, after the decision in the original Commodities Clause case (U. S. *v.* Delaware & Hudson Company, 213 U. S., 366)—in which the Supreme Court, while sustaining the validity of that provision in the Hepburn Act of 1906 (34 Stat., 584), which prohibits the transportation in interstate commerce by a carrier of a commodity produced or owned by it, etc., except such 10458
as may be necessary in the conduct of its business, held, however, that a carrier was not the owner of an interest in articles manufactured, mined, produced, or owned by a corporation whose stock was owned by it, within the meaning of the Statute—the Government applied to the Circuit Court for leave to file an amended bill, which was denied, whereupon an appeal was taken to the Supreme Court from that decision. In substance, the Government by its proposed amendment, averred that, 10459
in the particular case at bar, the railroad company was not only the owner of all the stock issued by a coal company, but that it so used the power resulting from this stock ownership as to deprive the coal company of all real independent existence, and to make it virtually but an agency, or dependency or department, of the railroad company. In other words, to employ the language of the Court:

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" 'In great detail facts were averred which tended to establish that there was no distinction in practice between the coal company and the railroad company, the latter using the coal company as a mere device to enable the railroad company to violate the provisions of the commodities clause.'

"The Supreme Court, on this showing, reversed the order of the Circuit Court and remanded the the case with instructions to permit the amendment

10461 to be filed, because the facts, if proven, would bring the railroad company, so far as its right to carry the product of the coal company was concerned, within the general prohibitions of the commodities clause. Accordingly, the Government is proceeding in the Circuit Court, endeavoring to apply the prohibitions of the commodities clause to the carriage by a railroad company over its line of coal mined and owned by a coal company, every

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share of the stock of which is owned by the railroad company, and which is operated as a department of the railroad company."

And in the Report for 1912, the following statement will be found on pages 23 and 24:

"Following the decision in the case of United States *v.* Lehigh Valley Railroad Company, referred
10463 to in my last annual report (220 U. S., 257), remanding the case to the Circuit Court with instructions to allow the Government to amend its complaint in order to show that the Lehigh Valley Coal Co. was in fact a mere adjuct, instrumentality or department of the railroad company, and, therefore, that ownership of the coal by the coal company at the time of transportation, amounted in reality to ownership by the railroad company, and was transported in violation of the commodities clause of the commerce act (34 Stat., 584), the railroad company
10464 filed an answer to the amended complaint putting

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its allegation in issue. Subsequently, however, the railroad company caused to be incorporated under the laws of New Jersey a separate company known as the Lehigh Valley Coal Sales Co., with an authorized capital stock of $10,000,000 of which $6,060,800 was issued forthwith. The Lehigh Valley Railroad

Company declared a dividend in January, 1912, of 10 per cent. on its outstanding capital stock, this dividend amounted in the aggregate to $6,060,800. The preferred and common stockholders of the railroad company were given the privilege of subscribing to shares of the sales company to an amount equivalent to 10 per cent. of their holdings. By this method, in effect, the shares of the sales company were distributed to and among the shareholders of the railroad company. Thereupon, on March 1, 1912, the Lehigh Valley Coal Company entered into a contract with the Lehigh Coal Sales Co., whereby the former agreed to sell to the latter all coal hereafter mined by it from all coal lands owned or leased by it, together with all coal it may purchase, the sales company agreeing to purchase and take all such coal at a price delivered f. o. b. 10465 10466

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railroad cars, at the breakers where the same is prepared, at, for all sizes above pea coal, a sum equal to 65 per cent. of the general average f. o. b. price of said sizes received at the water points at or near New York, between Perth Amboy and Edgewater. 10467

"The situation is, therefore, that coal which is shipped over the Lehigh Valley Railroad is mined by the Lehigh Valley Coal Company, all of whose stock is owned by the railroad company, and is sold at the breakers to the Lehigh Valley Coal Sales Co., all of whose stock has been originally issued to and distributed among the stockholders of the railroad company pro rata, but which company has separate officers from the railroad company and separate di- 10468

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rectors, and whose stock may be sold by the stockholders without regard to their continued holding of stock in the railroad company. By this arrangement both the railroad company and the coal com-

10469 panies seem to have parted in good faith with title to the coal before transportation begins and it is claimed therefore that transportation is free from the prohibition of the commodities clause as construed by the Supreme Court in 213 U. S., 412. The question will be submitted to the Court at an early day."

In the following month, on January 27, 1913, the amended bill in the Eastern District of Pennsylvania
10470 was dismissed with the Government's consent, but without prejudice to the right to bring a new suit. We understand that such a suit has recently been brought in the Second Circuit. The foregoing resumé states in sufficient detail the course of the previous litigation against the coal-carrying roads, and brings us to the present dispute. The rules to which we have referred are now to be applied to the relation existing and to the course of conduct actually pursued, between the Delaware, Lackawanna and Western Railroad Company and the Delaware, Lackawanna and Western Coal Co., and
10471 we are to determine whether the facts established that the power of the Railroad Company has been "used to obliterate all distinctions between the two corporations; or (to employ other language of the Court), whether the power of the Railroad Company has been "exerted in such a manner as to commingle the affairs of both as by necessary effect to make such affairs practically distinguishable, and therefore, to cause both corporations to be one for all purposes." If the railroad has the power to attain the objects thus condemned, and

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if these objects have been attained by the actual use and exertion of the power, the Commodities Clause has been violated; otherwise, it has not been infringed.

It will be a help in appreciating the evidence now under consideration if we first take some account of the general situation in the anthracite region of Pennsylvania. This is well described in a paragraph from page

224 of 164 Fed., afterwards quoted by the Supreme Court in the Delaware & Hudson case at page 402 of 213 U. S.: 10473

"The general situation is, that for a half century, or more, it has been the policy of the State of Pennsylvania, as evidenced by her legislative acts, to promote the development of her natural resources, especially as regards coal, by encouraging railroad companies and canal companies to invest their funds in coal lands, so that the product of her mines might be conveniently and profitably conveyed to markets 10474
in Pennsylvania and in other States. Two of the defendant corporations, as appears from their answers, were created by the Legislature of Pennsylvania, one of them three-quarters of a century ago and the other half a century ago, for the express purpose that its coal lands might be developed and that coal might be transported to the people of Pennsylvania and other States. It is not questioned that, pursuant to this general policy, investments were made by all the defendant companies in coal lands 10475
and mines, and in the stock of coal producing companies, and that coal production was enormously increased and its economies promoted, by the facilities of transportation thus brought about. As appears from the answers filed, the entire distribution of anthracite coal in and into the different States of



the Union and Canada, for the year of 1905 (the last year for which there is authoritative statistics), 10476
was 61,410,210 tons; that approximately four-fifths of this entire production of anthracite coal was transported in interstate commerce over the defendant railroads, from Pennsylvania to markets in other States and Canada; and of this four-fifths, from 70 per cent. to 75 per cent. was produced either directly by the defendant companies or through the agency of their subsidiary coal companies. It also appears

10477 from the answers filed, that enormous sums of money have been expended by these defendants, to enable them to mine and prepare their coal and to transport it to any point where there may be a market for it. It is not denied that the situation thus generally described is not a new one, created since the passage of the act in question, but has existed for a long period of years prior thereto, and that the rights and property interests acquired by the said defendants in the premises have been acquired in conform-
10478 ity to the Constitution and laws of the State of Pennsylvania and that their right to the enjoyment of the same has never been doubted or questioned by the courts or people of that commonwealth, but has been fully recognized and protected by both."

In addition to these considerations, the following facts —also taken from the Delaware & Hudson case in 164 Fed., on page 221—were especially applicable then to the railroad company now defendant, and may be referred

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to again as relevant to a large extent in the present controversy:

"The Delaware, Lackawanna & Western Railroad Company, like the Delaware & Hudson Company, admits that it is the owner of coal lands, and mines coal which it sells; that it was organized under an act of the Legislature of Pennsylvania in 1849 [Act,
10480 Feb. 19, 1849 (P. L., 79)]; that all the lines of railroad owned by it, are wholly within the State of Pennsylvania, extending from the Delaware River, at the boundary line of the State of New Jersey, in a northwesterly direction across the State of Pennsylvania, to the boundary line between the State of Pennsylvania and the State of New York, with a branch line extending from Scranton, in the State of Pennsylvania, to Northumberland in said state. Said defendant also admits and alleges that un-

der express authority of acts of the Legislature 10481
of the states of Pennsylvania, New Jersey and New York, it, as lessee, now operates, and long prior to May 1, 1908, had operated, various lines of railroad in the two last mentioned states, by which it has direct traffic connection with the City of Buffalo and other cities in the said states. Defendant also admits that for many years it has owned, in fee, extensive tracts of coal land in the State of Pennsylvania; that it has also leased large tracts of coal lands in the said state, and is now engaged, 10482
and for many years last past has been engaged, in mining coal from the lands so owned and leased by it; that the holding of said lands, whether in fee or by lease, and the mining, manufacture, and interstate transportation of the coal therefrom, has been



and continues to be under and by virtue of the authority of the laws of the State of Pennsylvania; that in addition to the foregoing, certain coal 10483
companies, organized from time to time under acts of assembly of the said State of Pennsylvania, have been merged into said defendant corporation; that by an act of the General Assembly of the State of Pennsylvania, approved April 15, 1869, entitled 'An Act to authorize railroad and canal companies to aid in the development of the coal, iron, lumber, and other material interests of this Commonwealth,' the defendant was authorized to aid corporations authorized by law to develop coal, iron, lumber, and 10484
other material interests of Pennsylvania, by purchase of their capital stock or bonds, or either of them. The answer of said defendant also alleges that, by reason of its ownership of said coal lands and coal and the revenues derived from the transportation of the same to market, it has been enabled to expend millions in the betterment of its general transportation facilities for both goods and passengers, and give to the public the benefits of a well

10485 constructed and equipped modern railroad. That by virtue of leases of railroads, to enable it to transport coal in interstate commerce, it has become bound to pay yearly, in interest charges, the sum of $5,155,697, and for taxes $1,163,916. That out of a total of about 8,700,000 tons of coal produced by it in the year 1907 from its land owned in fee and leased, upwards of 6,700,000 tons were transported over its lines of railroad in interstate commerce; that from 40 per cent. to 60 per cent. of its annual

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transportation earnings, from the operation of leased lines, has been derived from the carriage of its own coal thereover. That it uses, in the conduct of its business as a common carrier, approximately 1,700,000 tons of anthracite coal of pea size or smaller, annually, and will require more for such use in the future; that to obtain this coal in these

10487 economic sizes, it is necessary to break up coal, leaving the larger sizes which must be disposed of otherwise; that great waste would result if it were forbidden to transport to market in interstate commerce these large sizes thus resulting. That defendant's rights to acquire its holding of coal land, its rights to own and mine coal and to transport the same to market in other states as well as in Pennsylvania, and its leases of other railroads, were acquired many years prior to the enactment of the so-called 'inter-

10488 state commerce act,' and of the said amendment thereto known as the 'commodities clause.' ''

Turning to the record now under consideration, we find no facts of importance in dispute; the controversy is over the inferences that should properly be drawn therefrom. The relation existing between the two defendants is a direct result of the railroad's effort to obey the decision of the Supreme Court in the first of the cases

referred to Unitd States v. Delaware & Hudson Co. 10489
When that decision was announced on May 3, 1909, the Railroad Company was presented with a serious problem. It owned or leased 15,000 acres of coal lands in the Wyoming region, and these were of great value, both present and prospective. Its mines were producing sev-



eral million tons of coal each year, and the sale and carriage of this coal were highly important sources of rev- 10490
enue, and its uninterrupted distribution through the established channels of trade was of great importance to the public. It had more than 600,000 tons of mined coal on hand, not yet disposed of, either on storage or in course of transit. A demand for the coal that the railroad had been selling for many years existed throughout a wide territory, stretching from New England into Canada and the middle west; and an extended and elaborate organization had grown up in the course of a long and continuous effort to bring the coal to the consumer seasonably and economically. Facilities for storage and 10491
handling had gradually been acquired and expanded; numerous contracts had been made with agents and dealers; other contracts existed with independent operators for the purchase of additional coal for carriage and sale —all this, and much more, resting upon the undisturbed practice of many years under direct state authority, whereby the Railroad Company mined its own coal, bought coal from others, and carried and sold in many and in widely separated markets the property thus mined and bought. 10492

This long established business was now to be changed, and changed almost immediately. In our opinion the evidence shows that the railroad intended to obey the law as the Supreme Court had authoritatively announced it, and we may say at once that an examination of the record affords no ground to doubt the good faith of all concerned in the transactions now complained of. No

10493 trick or sham or evasion was contemplated or attempted, but a genuine effort was apparently made to comply with



the Statute and to carry out openly and publicly what the Court had declared to be necessary. The situation was not welcome, but the railroad clearly understood it and accepted it frankly. No doubt existed that the railroad must dissociate itself in good faith from the owner-
10494 ship of the coal before the act of transportation should begin, and must divest itself of every interest therein, either direct or indirect. Counsel were therefore consulted and a plan was adopted. As a business proposition it was evidently indispensable to find a single purchaser who should be able, financially and in other respects, to handle several million tons a year; it was obviously impracticable to dispose of such a quantity by sales in small lots to small dealers, or for small dealers to distribute afterwards to numerous consumers scattered over so wide an area. So large a quantity, needed in so many
10495 places at about the same time, could only be handled by some one with large capital and with a well-organized and capable force of agents. It was therefore decided that a New Jersey corporation should be organized with a capital sufficiently large, and that this corporation should take over the trained and experienced clerks and agents connected with the coal-sales department of the railroad's business.

It was recognized as desirable that the relations between the Railroad as the seller, and the proposed coal
10496 company as the buyer, should be friendly, and in the first instance the stock in the coal company was offered only to the shareholders of the Railroad Company. They were expected to accept the offer, and this expectation was realized. As is well known, the defendant railroad has had a prosperous career, and in June, 1909, it had a large cash surplus. Out of this fund it declared a dividend of 50%, and offered to its shareholders the right

to use one-half the dividend to buy the shares of the proposed coal-sales company at par. The offer was accepted by nearly all the shareholders; the only exceptions were 36 separate interests representing 2,249 shares. Since that time, however, many changes have taken place among the stockholders of either Company. Both stocks are dealt in by the public, one on the Exchange and the other on the Curb, the result being that in October, 1913, the shares of the railroad not interested in the Coal Company had increased from 2,249 to 88,716; and the shares in the Coal Company not interested in the Railroad had increased to 6,907. The number of shareholders in the Coal Company had become 1,588, and of these 801 were women, either in their own right or as *cestuis que trustent*. 10498

The capital subscribed and paid in before August 2, 1909, was nearly $6,600,000, but the Railroad Company did not subscribe or pay for a single share, and had no interest therein, direct or indirect. The capital was all subscribed and paid for by individuals; but, as these individuals were also stockholders of the Railroad Company, the Government contends (almost solely for this reason) that the two corporations are in effect identical and cannot be regarded as distinct. If this ground be not well taken, scarcely anything is left of the Government's case—certainly nothing that would support a decree. But, if the contention be sound, the case is made out, and accordingly this point is much insisted upon in the brief, where numerous cases are cited and discussed. We do not think it necessary to take them up in detail. Some of them differ essentially from the case at bar in the fact that they disclose fraud or bad faith as an element, whereas here nothing of the kind exists. But we 10499 10500



need not discuss these or any other authorities, because the Supreme Court has already declared distinctly the rule for these particular cases, and has determined that

10501 a railroad itself might lawfully hold stock in a manufacturing, mining, producing, or owning corporation, upon the single condition that the latter be a *bona fide* organization. In the Delaware & Hudson case—on page 415 of 213 U. S.—the Court said, that while the carrier was forbidden to have any interest, direct or indirect in a legal or equitable sense, in the article or commodity carried, nevertheless this prohibition of the Statute did "not include * * * articles or commodities manufactured, mined, produced, or owned, &c., by a *bona fide* corpora-
10502 tion in which the railroad company is a stockholder." This would seem to be plain enough without more, but as the subject was important the Court returned to it in the Lehigh Valley case and left no room for doubt. On page 266 of 220 U. S., the Chief Justice declared, that "the prohibitions of the Statute were addressed only to a legal or equitable interest in the commodities to which the prohibitions referred. That they therefore did not prohibit a railroad company from transporting commodities mined, manufactured, produced, or owned by a dis-
10503 tinct corporation, merely because the railroad company was the owner of some or all of the stock in such corporation." And on page 271, the Delaware & Hudson case is again referred to as holding expressly that "stock ownership by a railroad company in a *bona fide* corporation, irrespective of the extent of such ownership, did not preclude a railroad company from transporting the commodities manufactured, mined, produced, or owned by such corporation."



10504 We may therefore assert with confidence that since a railroad itself may own stock in the producing or owning corporation without offending against the statute, no offense is committed, although individual subscribers to such stock may also be stockholders in the railroad. No Act of Congress or judicial decision has declared it to be illegal for an individual citizen to invest his money in two enterprises, merely because the enterprises may be

closely connected. But what the Supreme Court did lay 10505
down was this; although a railroad company may lawfully own stock in a producing or owning corporation, it must not use the power given by such ownership to obliterate the distinction between the two organizations; it must not exert such power so as to commingle indistinguishably the affairs of both, and thus cause both corporations to be one for all purposes; it must not destroy the entity of the producing or owning corporation, and thus make the two virtually one—if it actually do these forbidden things, then the Commodities Clause applies 10506
and condemns as unlawful such an abuse of a lawful right. But it is the abuse that is unlawful, not the mere existence of the relation or of the right growing out of the lawful ownership of stock.

Let us see, therefore what has been actually done by the two defendants. The railroad owns no stock, and has no legal or equitable interest, in the coal company. As far as the evidence discloses, it has taken little, if any, corporate action except to authorize the contract hereafter quoted. But we may fairly infer, although there is not much positive evidence on the subject, that the plan 10507
carried out was initiated and finally agreed upon by some at least—probably by all, or by a majority—of a comparatively small group of thirty-five persons who own a controlling interest in the railroad's stock. They (or



nearly all of them, twenty-eight or twenty-nine being the number) also own a majority of the Coal Company's stock, and we take it for granted that they actually con- 10508
trol both companies. Being majority stockholders, they have a lawful right to exercise the power of control, provided they exercise it for lawful objects. We assume also that several other facts upon which the Government lays especial stress are due to the will of this controlling group, namely; the facts, that the Vice-President of the Railroad Company, who was the former head of its coal department, became the President of the Coal Company;

10509 that a former sales agent of the Railroad Company transferred his services to the Coal Company and has been (and is now), its Vice-President and general sales agent; that the President of the Railroad Company is a member of the Coal Company's Board of Directors, and that three other members are sons of Directors on the Board of the railroad. As far as these facts go, they are pertinent to the Government's contention, and are legitimately used in the effort to prove that the two corporations are identical. But of themselves they are not sufficient; no effort
10510 has been made to show, and we do not understand the Government to suggest, that the sons (who own no stock in the Railroad Company), have been unfaithful to their trust and have betrayed the interests of the Coal Company which they help to direct; there was no serious effort to show that any of the present or former officials of the Railroad Company that are now, or have been, in the Coal Company's service, have used their power or influence improperly. And—what is more to the point in the present inquiry—nothing was offered in denial of what the evidence shows to be a fact, namely, that the
10511 Coal Company has never been favored over other shippers of coal by discrimination in rates or in practises, or in facilities or quality of service. As the Supreme Court has recently pointed out in Railroad Company *v.* United States, 231 U. S., 363, where the object of the



Commodities Clause was considered, the evil at which the clause was aimed was the danger that a carrier, if he
10512 were also the owner of the goods transported, would favor himself unduly:

> "If such carrier hauls for the public and also for its own private purposes, there is an opportunity to discriminate in favor of itself against other shippers in the rate charged, the facility furnished, or the quality of the service rendered. The Commodity Clause was not an unreasonable and arbitrary prohibition against a railroad company transporting its

own useful property, but a constitutional exercise of 10513
a governmental power intended to cure or prevent the evils that might result if, in hauling goods in or out, the company occupied the dual and inconsistent position of public carrier and private shipper."

The following facts are also pertinent upon the question, how far the corporate activities and the actual operations of the two companies have been distinct and separate. In August, 1909, they entered into the contract of which the Government complains. A summary of that 10514
agreement is given in the bill of complaint:

"That the Railroad Company would sell to the Coal Company all mined, marketable coal then own-



ed, except such as it should elect to retain for use in its business as a common carrier, to be paid for within thirty days at prices designated.

"That the Railroad Company would lease to the 10515
Coal Company certain described storage and stocking plants, trestles and docks, and accept in payment 5 per cent. per annum on a valuation to be agreed upon.

"That the Coal Company would take over certain leases of trestles and sale agencies contracts theretofore made by the Railroad Company.

"That the Railroad Company would sell and deliver to the Coal Company, f. o. b. cars at the breakers, all coal thereafter mined by the former from all 10516
lands owned or leased by it, together with all coal purchased by it, the amount to be so sold and delivered to be at the absolute option of the seller and without liability upon its part for failure to supply any. The Coal Company agrees to purchase all coal offered by the Railroad Company, and no other, unless necessary to comply with contracts then outstanding.

10517 "That the Railroad might retain sufficient coal for its use as a common carrier.

"That the Coal Company would accept from the Railroad Company all coal delivered on cars at the breakers, and pay for all sizes above pea 65 per cent. of the general average f. o. b. prices at tide points at or near New York between Perth Amboy and Edgewater, and for the smaller sizes specified portions of such general average prices.

"That the Coal Company would conduct the busi-
10518 ness of selling so as to best conserve the interest of and preserve the good-will and markets of the coal mined by the Railroad Company; that any disputes which might arise between the parties should be set-



tled through a board of arbitration, made up as specified; and that the terms of the agreement itself might also be modified by arbitration if conditions justified.

10519 "That the contract should continue to be operative until six months after either party shall notify the other in writing of its intention to cancel the same, and that upon its expiration the Coal Company would sell to the Railroad Company and the latter would buy all coal then stored or in transit theretofore purchased by the former at prices to be agreed upon or fixed by arbitration."

(The full text of the contract will be found in the mar-
10520 gin. *)

*"This contract entered into this second day of August, 1909, between the Delaware, Lackawanna and Western Railroad Company, hereinafter called the 'seller,' of the first part, and the Delaware, Lackawanna and Western Coal Company, hereinafter called the 'buyer,' of the second part, witnesseth:

"Whereas the seller is the owner of coal lands situated at various points in the counties of Luzerne and Lackawanna, in the State of Pennsylvania, and has been engaged both in mining the coal therefrom and in transporting to market and selling the same, and in like manner has so transported and sold large amounts of coal purchased by it in said

State; and whereas the seller, to so sell its coal, has constructed storage 10521
plants and trestles at various points in different States, and has entered into various sales agency contracts; and whereas to so market said coal most of the same must be transported in interstate commerce, so that it has become necessary for the seller, in compliance with law, to sell all of its coal within the State of Pennsylvania; and whereas the buyer is desirous of contracting to so purchase all of the seller's coal at its mines, to contract for the transportation of the same to market, and to sell the same and for such purpose to lease of the seller various of its storage plants, trestles, offices, and other facilities, and assume its selling agency contracts;

"Now, therefore, in consideration of the premises, and of the mutual covenants herein contained, it is agreed as follows:

"First. The seller agrees to sell to the buyer, and the buyer agrees to buy of the seller, all mined, marketable coal wherever situated now owned by the seller, and either stored, held at various points, or in the 10522
course of transportation, except such coal as the seller elects to retain for its use in the conduct of its business as a common carrier. The buyer shall pay the seller therefor, in cash within thirty days from the date hereof, as follows, viz: For all of the coal in transit, at prices to include the full tariff charges of the seller and of all other carriers whose charges have been paid by the seller for the transportation of such coal from the mines, together with the market value thereof at the mines as fixed herein, at prices prevailing for the month of July, 1909; for all coal stored, of all sizes, at points west and north of Buffalo, N. Y., the sum of five dollars and fifty cents ($5.50) per gross ton; for prepared sizes of coal stored at Buffalo and at other points along the lines of the owned, leased and controlled lines of the seller, the sum of four dollars ($4.00) per gross ton; for sizes smaller than prepared sizes so stored at Buffalo and points east, along the lines of the seller, not including that stored at or about the mines of the seller, the sum of one dollar 10523
($1.00) per gross ton. The buyer shall also pay an equitable proportion of taxes for the year 1909 assessed or to be assessed against such stored coal.

"The buyer hereby assumes and agrees to pay all unpaid charges of every nature incurred in connection with the transportation or storage of said coal, and hereby assumes all risks and obligations in connection therewith from the beginning of the day of the date hereof.

"Second. The seller shall lease to the buyer contemporaneously herewith, the following properties: The Cheektowago stocking plant, at Buffalo, N. Y.; the Port Morris storage plant, at Port Morris, N. J.; the Dover stocking plant at Dover, N. J.; the Erie Street lake trestle, at Buffalo, N. Y.; the transfer trestle, at East Buffalo, N. Y.; the lake shipping trestle, at Oswego, N. Y.; the canal trestle, Clinton Street trestle, and Geddes yard trestle, at Syracure, N. Y.; the canal trestle, at Utica, N. Y.; the retail trestles located, respectively at Newark, Harrison, Bloomfield, Summit, and Paterson, N. J.; the Division Street 10524
dock trestle, at Chicago, Ill., the Wabash dock trestle, at Toledo, Ohio. The rental to be paid the seller by the buyer for the use of said properties shall be five per cent. (5%) of their agreed value, including good will, and the leases shall provide that the buyer shall keep the said properties insured and in repair, and shall contain such other covenants as may be proper to protect the interests of the seller.

"The seller has leased certain of its trestles to different persons as follows: The Main Street, Erie Street, Chicago Street, Seneca Street, Walden Avenue, and Black Rock trestle at Buffalo, N. Y., to E. L. Hedstrom; the McKinney trestle at Binghamton, N. Y., the Chemung Coal Company trestle at Elmira, N. Y., the Oswego Coal Company trestle at Oswego, N. Y., the Gilmore trestle at Utica, N. Y., the Horre trestle and elevator on pier five, Hoboken, N. J., Burns Brothers' trestle on property of the seller at South Brooklyn, N. Y., the Klink trestle at

10525 Syracuse, N. Y., a coal trestle at Bath, N. Y., and various other trestles located on the lines of its owned, leased, and controlled lines.

"The seller has also entered into sales agency contracts as follows: With E. L. Hedstrom & Co., Chicago, Ill., S. C. Schenck, Toledo, Ohio, North Western Fuel Co., St. Paul, Minn., Milwaukee Western Fuel Co., Milwaukee, Wis., E. L. Hedstrom, Buffalo, N. Y., and Ogdensburg Coal & Towing Company, of Ogdensburg, N. Y.

"All of such leases and sales agency contracts shall be taken over by the buyer as of the date hereof, on terms to be agreed upon, and it shall assume all obligations of the seller with respect thereto, and be entitled to the benefits thereof. The buyer also agrees to lease of the seller the coal sales office building at Buffalo and Syracuse, N. Y., rooms in the station of the seller at Scranton, Pa., and suitable quarters at 90 West Street, New York City.

"The seller will provide that any of the foregoing properties so to be
10526 leased to the buyer which are owned by the Syracuse, Binghamton & New York Railroad Company, shall be so leased to it by such corporation.

"The seller has also entered into contracts for the sale of coal for the current year with various customers. A schedule of such contracts shall be prepared and furnished to the buyer by the seller. All of such sales contracts shall be asssumed by the buyer as of the date hereof, and it agrees to comply with the terms and conditions of such contracts. The buyer also agrees to assume the obligations of a certain contract entered into October 8, 1905, between Lucy A. Turner and the seller in connection with the business of Henry B. Turner Coal Company at foot of East 23rd Street, New York, and shall be entitled to the benefits thereof without other consideration than that named herein.

"The seller has entered into a contract, dated June 17, 1905, expiring August 1, 1910, with the Solvay Process Company, of Syracuse, N. Y., providing for the sale of washery coal at prices named therein. It is
10527 understood that the buyer shall assume such contract and supply said company with coal at prices named therein. The seller, however, agrees that as the buyer cannot conform to the conditions of such contract without a materia! loss it will adjust such loss with the buyer upon an equitable basis on terms to be agreed upon.

"Third. Subject to the conditions of this paragraph, and at the prices herein stated, the seller agrees, during the terms of this contract, to sell to the buyer all coal hereinafter mined by it from all coal lands owned or leased by it, together with all coal it may purchase. The buyer agrees to purchase all such coal at such prices and to pay the seller therefor in cash on the 20th of each month for all coal delivered to it by the seller f. o. b. cars at the mines during the preceding month. The buyer also agrees on the 15th of each month to pay the seller in cash all tariff charges of its owned, leased, and controlled lines, and all monies advanced by it to other carriers for the transportation of said
10528 coal during the preceding month.

"The amount of coal to be so delivered and sold to the buyer by the seller shall be at the absolute option of the seller as its interests may determine, and the seller shall be subject to no liability whatsoever for failure to supply the buyer with such amount of coal as it may desire. The buyer agrees that, except to enable it to comply with the terms of the existing hereinbefore cited sales agency and other sales contracts of the seller, in the event of the failure of the seller to sell it coal, it will purchase all coal to be sold by it from the seller, and will purchase no coal from any other person or corporaiton except with the written consent of the seller.

"The seller reserves the right to retain all coal required by it for the use of its owned, leased and controlled lines in the conduct of their

business as common carriers. Also such coal as it may desire to sell its employees at the breakers, the same not to be hauled in railroad cars. 10529

"The buyer agrees to pay the seller, and the seller agrees to accept from the buyer, the following prices for said coal, to be delivered f. o. b. railroad cars at the various breakers now located and hereinafter constructed by the seller at its mines aforesaid.

"For all sizes above pea coal, sixty-five (65) per cent. of the general average free on board prices of said sizes received at tide points at or near New York, between Perth Amboy and Edgewater.

"For pea coal, fifty (50) per cent. of the general average f. o. b. price for pea coal at said tide points at or near New York when the said price is two dollars and fifty cents ($2.50) per ton or less, and for each advance of ten (10) cents per ton in the said f. o. b. price above two dollars and fifty cents ($2.50) the proportion paid the seller shall be increased one (1) per cent. until the percentage paid for pea coal reaches sixty-five (65) per cent.

"For buckwheat coal No. 1, forty (40) per cent. of the general average f. o. b. price at said tide points at or near New York when the said price is two dollars ($2.00) per ton or less, and for each advance of ten (10) cents per ton in the said f. o. b. price the proportionate price paid the seller shall be increased two (2) per cent. until the said f. o. b. price reaches two dollars and fifty cents ($2.50), after which the proportionate price paid the seller shall advance one (1) per cent. for each ten (10) cents advance in the f. o. b. price above two dollars and fifty cents ($2.50), as in the case of pea coal above mentioned. Provided that nothing herein contained shall oblige the buyer to pay for buckwheat No. 1 coal a rate higher than for pea coal. 10530

"For all sizes smaller than buckwheat No. 1, the seller shall receive twenty-five (25) cents per ton f. o. b. railroad cars at breakers, and for each ten (10) cents increase in the general average f. o. b. price above one dollar and thirty cents ($1.30) a ton at tide the price shall be increased five cents per ton. 10531

"The general average f. o. b. prices herein referred to shall be determined by the general average free on board prices received for the various sizes on general market sales thereof at tide points at or near New York between Perth Amboy and Edgewater during each calendar month, and a statement of such prices shall be furnished the buyer by the seller prior to the 8th day of each month subsequent to that in which such monthly sales shall have been made, the intent of this provision being to ascertain and to fix the market price of the coal at the mines as nearly as may be as of the several and respective days of delivery of the coal at the mines.

"Payment on the 20th day of each month for coal purchased during the preceding month shall be made at such prices.

"Fourth. The seller agrees that all its coal sold to the buyer shall be properly prepared for market in accordance with the past practice and standards of the seller.

"Fifth. The buyer agrees that at any transfer trestles leased to it by the seller it will transfer from car to car any coal which the seller desires to have transferred, at a price to be agreed upon. It is also understood that the parties hereto shall adjust the charges to be paid by the buyer to the seller for coal forwarded to and unloaded from storage or stocking plants and with respect to other transportation charges to be subsequently covered by tariffs to be filed by the seller. 10532

"Sixth. The buyer agrees that it will conduct the business of selling the coal of the seller in such manner as best to conserve the interests of and preserve the good-will and markets of the coal mined by the seller, and to continue to fill the orders of all responsible present customers of the seller even though as to some of such customers the sales may be unprofitable, it being understood and agreed that at the prices

10533 above quoted the entire business of the buyer will be conducted at a profit.

"Seventh. In the event of dispute as to tidewater prices or as to the proper interpretation of any provision of this agreement, or if by reason of changes in market conditions, tariff rates or otherwise, modifications or changes in this contract should fairly be made, and the parties hereto cannot agree with respect to such modifications or changes, or if the parties cannot agree as to any matter, it is agreed that all such differences shall be determined by arbitration by a board of arbitrators to consist of one person selected by the general sales agent of the buyer and one person selected by the President of the seller, and a third person to be selected by the then President of the Farmers' Loan and Trust Company of the City of New York, and that the decision of a majority of such board of arbitration shall be final and binding upon the parties hereto.

"Eighth. Any changes or modifications in the terms, conditions, or
10534 covenants of this contract which may hereafter be agreed to may be made by written agreement, duly executed, provided the same be approved by a vote of both the parties hereto acting by a majority of their several Boards of Directors or managers.

"Ninth. This contract shall become in effect on the beginning of the day of the date hereof upon written notice by either party to the other prior to August 1st, 1910, of its intention to cancel this contract, it shall expire at midnight on the 28th day of February, 1911. Should no such notice be served, the contract shall continue to be operative until the expiration of six months after either party shall notify the other in writing of its intention to cancel the contract, in which event it shall expire at midnight of the last day of the six months named in the notice of cancellation.

"Upon the expiration of this contract, the buyer agrees to sell to the seller or to whomever the seller shall nominate, and it agrees to buy or cause to be bought, all coal then stored or in transit purchased of the
10535 seller by the buyer, at prices to be agreed upon; or in case the parties cannot agree, to be fixed by arbitration as herein provided."

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Since August 2, 1909, when this contract was made, the general course of events may be condensed from the testimony of the principal witness in the case: Since that date, the Coal Company has conducted the whole business of marketing the coal referred to in the contract, and
10536 the Railroad has taken no part therein, except to move the coal in obedience to orders received from the Coal Company. Notice of the change of business was promptly given to agents and customers and the trade in general. The Railroad sells all its coal to the Coal Company on board cars at the breakers, except such quantity as it uses for its own purposes, or permits to be used by its employees. But the Coal Company buys coal from other persons also, the quantity being 3,847 tons in 1909, 2,267 tons in 1910, 6,600 tons in 1911, 9,204 tons in 1912, and

310,645 tons in the first 10 months of 1913. The Coal 10537
Company directs the movement of the coal from the

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breakers (where the title passes from the Railroad Company) until it reaches the numerous markets and customers in Pennsylvania and elsewhere; and the Railroad obeys these orders. With the exceptions already noted, the Coal Company has always had a separate Board of Directors, and separate officers. The actual management 10538
has also been separate and distinct. The Coal Company has its own officers, and keeps its own books according to its own method of bookkeeping, and its books relate to its own business. Its funds are deposited in its own name in banks of its own choosing, and are subject to its own disposal. Its earnings are computed from its own books, and the profits go solely to its own stockholders. The sales department of the Coal Company is mainly controlled by its Vice-President and general sales agent, although its President takes some part in the 10539

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supervision. The sales agents throughout the territory served with the coal are and always have been in the exclusive employ of the Coal Company, and are paid solely by that company. And this is true also of the bookkeeping force in the Coal Company's offices. The Government has had access to the books and accounts of the Coal Company, and has offered some extracts therefrom in evidence. The Coal Company has been charged, and 10540
has paid, the same rates of freight and demurrage as any other shipper, and has received no discriminating favors from the railroad. The transactions of the Coal Company for each of the years 1910, 1911, and 1912, embrace 8,000,000 tons or more, and about $40,000,000.

The Coal Company pays large sums in cash each year to the railroad for coal purchased and for freight. In 1912 the amount paid for coal was nearly $20,000,000, and for freight, more than $13,000,000; in 1910, the

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total of these items was about $34,500,000, and in 1911, $35,000,000. In addition to these sums, the Coal Company paid to other carriers, and to agents for salaries and other charges, from $2,500,000 to $3,000,000 in each of the years named. For all purposes, the Coal Company has paid to others than the railroad, more than $7,000,000 in 1910, and also in 1911, and more than $5,000,0000 in 1912.

10542 A rental of 5 per cent. on the estimated cost of the railroad's former storage and trestle facilities is paid by the Coal Company, together with the cost of operation and maintenance. Since August, 1909, the Coal Company has been buying other property at various places—mainly land, buildings, and trestles—at a cost of several hundred thousand dollars, and has been making contracts on its own account to supply certain agents with coal for a definite number of years. It obtains

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some of its coal from other sources of supply than the Railroad Company, although the railroad is by far the most important source. And finally, it may be noted that several unadjusted differences exist between the two companies, one being the railroad's claim to receive a higher price for its coal.

We are asked to hold that the facts thus set forth do not establish the good faith of the railroad, and therefore to decree that the company's interest in the coal

10544 transported continues to exist, in spite of the contract of August 2, 1909, and of the whole course of conduct hereinbefore detailed. The Government prays that we enjoin the defendant from "shipping, transporting, or causing to be transported, any anthracite coal, the product of mines owned by defendant railroad company, or purchased by it from others, and sold, transferred, or delivered to defendant coal company, in pursuance of

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the above described agreement or arrangement existing between them, or any similar one." Manifestly, a decree that goes so far and would destroy so much should rest upon well-established facts, and these in our opinion have not been proved; the evidence is too slender to justify us in drawing the inferences urged by the Government. On the contrary, believing that we have fairly stated the uncontroverted facts, we shall only add that they appear to lead to these conclusions—that the transactions between the two companies began and have been carried on in good faith, in obedience to the decisions of the Supreme Court and in reliance thereon; that the distinction between the two corporations has not been obliterated; that their affairs have not been so commingled as by necessary effect to make their affairs indistinguishable; and that the two are not one for all purposes, but are two distinct and separate legal 10546

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beings, actually engaged in separate and distinct operations. It follows that the railroad does not own the coal in question, either in whole or in part, during its carriage, but has in good faith dissociated itself therefrom before the beginning of the act of transportation.

2. But the Government contends further that the railroad company retains a direct or indirect interest in the larger sizes of the coal while it is being transported, because the contract contained a provision relating to the price to be paid for these sizes. Coal larger than pea 10548 is called "prepared" coal, and for this size the third paragraph of the contract provides that the coal company shall pay: "sixty-five (65) per cent. of the general average free on board prices of said sizes received at tide points at or near New York between Perth Amboy and Edgewater."

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The same paragraph makes somewhat similar provisions for ascertaining the prices to be paid for the

10549 smaller sizes; these are also to be paid for on the basis of certain percentages of the general average free on board prices at tide. It is not contended, however, that the railroad retains any interest in these smaller sizes; the argument is restricted to "prepared" coal, or sizes larger than pea. It is urged that the railroad will be the gainer by a high price at tide, since this will necessarily increase the price at the mines; and therefore, that this interest in the price is such an interest in the coal itself as is condemned by the statute. Undoubtedly
10550 it is correct to say that the railroad has an interest in the price, but it should be understood that "interest" merely means that the railroad will gain by a higher price at tide, and does not mean that the railroad has power to control the coal or the price for which it sells.

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It might also be argued—and indeed, the suggestion is glanced at in the Government's brief—that the price at
10551 tide is also affected by the rate of freight, and, therefore, that the railroad retains an interest in the coal because it can increase the tidewater price by increasing the rate of freight. In theory this argument may be sound, but as a practical consideration it is not entitled to weight, because the railroad cannot increase the rate of freight at pleasure, but must accept whatever rate is established by the Interstate Commerce Commission. And the other argument, while equally good in theory, is equally ineffective as a practical consideration, because the railroad company does not control the price at tide,
10552 and cannot increase that price, however much it may desire to do so. The railroad company does not fix prices; it does not decide how much coal is to go to New Yrrk Harbor; and it does not determine the sum for which

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the coal is to be sold at that point. The average price at tide had its origin a good many years ago, when the

coal-carrying roads had contracted with numerous 10553
mine owners to buy their coal at certain percentages of the average selling price at the harbor. In order to determine what that price was, records were kept by a bureau organized for that purpose, showing the quantities sold and the prices. This was the situation in 1902, when the notable strike in the anthracite region took place, and one of the terms of the award that settled that struggle was a sliding scale of wages to be determined by reference to the selling prices reported by the bureau. These prices have been so reported ever 10554
since in accordance with the order of the Strike Commission, and wages have been computed by reference thereto.

This price at tide afforded the present defendants a convenient basis for calculation. It has certain obvious advantages; the market in New York Harbor is very large, probably the largest single market available; it is served by all the principal coal companies; and the general average of prices obtained there may fairly be regarded as an accurate measure of value at that point. But the purpose of the third paragraph of the contract 10555
was to value the coal at the breakers, and the New York price merely accorded a starting point for the computation. The contract declares this purpose distinctly:

> "The general average f. o. b. prices herein referred to shall be determined by the general average free on board prices received for the various sizes on general market sales thereof at tide points at or near New York, between Perth Amboy and Edgewater during each calendar month, and a statement 10556
> of such prices shall be furnished the buyer by the



> seller prior to the 8th day of each month subsequent to that in which such monthly sales shall have been made—the intent of this provision being to ascertain and to fix the market price of the coal at the mines

10557 as nearly as may be as of the several and respective days of delivery of the coal at the mines."

We think it clear that the railroad retains nothing more after the title passes to the coal company at the mines than an interest in the price, and that this is not the same thing as an interest in the coal. But the Commodities Clause is dealing with an "interest, direct or indirect" in the commodities themselves, and this must mean some kind or degree of ownership or interest in the
10558 thing transported, or some power to deal with it or to control it. We think we have already shown that the railroad company neither owns nor controls the coal after it has been loaded on cars at the breakers. Thereafter the coal company is the owner and the master, and fixes prices, routes, and destinations, at its own will. The railroad company has parted with its title so completely that it would suffer no loss if thousands of tons should be burnt or otherwise lost in transit. No doubt the railroad will be advantaged whenever the price at tide is
10559 high, but the railroad does not increase that price or compel the coal company to increase it.

But it seems superfluous to consider the Government's argument further, in view of what was said by the Supreme Court in the Delaware & Hudson case about the



meaning of this very phrase; "in which (the railroad) may have any interest, direct or indirect." On page 413
10560 of 213 U. S., the Court said:

> "It remains to determine the nature and character of the interest embraced in the words, 'in which it is interested directly or indirectly.' The contention of the Government that the clause forbids a railroad company to transport any commodity manufactured, mined or produced, or owned in whole or in part, etc., by a *bona fide* corporation in which the transporting carrier holds a stock interest, however small, is based upon the assumption that such prohibition

is embraced in the words we are considering. The 10561
opposing contention, however, is that interest, direct or indirect, includes only commodities in which a carrier has a legal interest, and, therefore, does not exclude the right to carry commodities which have been manufactured, mined, produced, or owned by a separate and distinct corporation, simply because the transporting carrier may be interested in the producing, etc., corporation as an owner of stock therein. If the words in question are to be taken as embracing only a legal or equitable interest in the commod- 10562
ities to which they refer, they cannot be held to include commodities manufactured, mined, produced, or owned, etc., by a distinct corporation merely because of a stock ownership of the carrier (Pullman Palace Car Co. *v.* Missouri Pacific R. R., 115 U. S., 587; Conley *v.* Mathieson Alkali Works, 190 U. S., 406). And that this is well settled also in the law of Pennsylvania is not questioned. It is unnecessary

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to pursue the subject in more detail, since it is conceded in the argument for the Government that, if the clause embraces only a legal interest in an article or commodity, it cannot be held to include a prohibition against carrying a commodity, simply because it had been manufactured, mined, or produced, or is owned, by a corporation in which the carrier is a stockholder."

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If we remember that this language was used about a situation arising where a railroad itself owned stock (even in a controlling amount), in the producing or owning corporation, and where the railroad would, therefore, profit directly by the price received for the commodity transported, it hardly seems worth while to argue at any length, that, where the railroad does not own a single share of such stock, it does not have an "interest, direct or indirect," in the particular commodity thus produced

10565 or owned. In such a state of affairs—if we understand correctly what the Supreme Court has said—the interest of the carrier ceases when the commodity is sold and delivered *bona fide* to a distinct and separate corporation, and no interest remains, either direct or indirect, merely because the price has not yet been precisely ascertained.

(3) The bill of complaint also makes a formal charge against both defendants under the Anti-Trust Act, but the oral argument left us under the impression that this charge was not much insisted on. We believed then, and
10566 have believed since, that, while the government earnestly desired to obtain a decision concerning the application of the Commodities Clause to the facts of this case, the anti-trust branch of the complaint was regarded as compara-



tively unimportant. For this reason, therefore, we shall not undertake for the present what we think would be the needless task of discussing the evidence bearing upon the charge of restraining or monopolizing commerce. If we
10567 are mistaken in this supposition, however, the error can easily be corrected.

A decree may be entered dismissing the bill; but, as the situation may change in the future, and the change may afford the government ground to assert that the affairs of the two corporations have become unlawfully identified, so as to violate the Commodities Clause, the dismissal will be without prejudice to the government's right to begin a second proceeding whenever it may be so advised.

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United States of America,
District of New Jersey, } ss.: 10569

I, George T. Cranmer, Clerk of the District Court of the United States of America, for the District of New Jersey in the Third Circuit, do herby certify the foregoing to be a true copy of the original opinion on file, and now remaining among the records of the said Court, in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the said Court, at Trenton, in said district, this seventh day of April, nineteen hundred and fourteen. 10570

GEORGE T. CRANMER,
Clerk District Court, U. S.
By
C. S. Chevrier,
Deputy.

[SEAL.]

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## L. V. COAL CO. EXHIBIT NO. 1.

No. 770

AN ACT

To incorporate the Luzerne Coal and Iron Company.

SECTION 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That James Pollock, 0574 Incorporators Jason L. Fenmore, Edward C. Knight, Thomas H. Moore, Alfred Kussenberg, Richard P. Clay, James H. Stevenson, and their associates and successors, be and they are hereby created a body politic and corporate, Title by the name, style and title of the Luzerne Coal and Iron Company; by which name, style and title said corporators and their successors shall have perpetual Powers and Privileges succession, and enjoy all the privileges, powers, incident, liberties, immunities and franchises usually pertaining to a corporation.

0575 Capital stock SECTION 2. That the capital of said company shall be six hundred thousand dollars, divided into shares of fifty dollars each, with the privilege to increase the same from time to time to an amount not exceeding one million dollars; said increase and all transfers of stock to be made at such times and in such manner as the by-laws of said company may prescribe.

Payment of subscriptions. SECTION 3. That subscriptions to the capital stock of said company may be paid in cash or in real and personal estate appropriate to the business con-0576 templated by this act, at a bona fide cash valuation to be agreed upon by a majority in interest of the stockholders; and the said corporation may issue bonds, May issue bonds secured by mortgage or otherwise, to an amount not Limitation, exceeding fifty per centum of the par value of the capital Sale of bonds. stock, and sell the same at their market value, notwithstanding it may be less than par; but no bond shall be issued for less than one hundred dollars.

SECTION 4. That the said corporation shall be able and capable in law to purchase from any person or per-

sons, or from any company now or hereafter to be incorporated, and to take, receive, and hold, in fee simple or for any less estate, lands and mineral rights so purchased, with their appurtenances, in the county of Luzerne and adjoining counties, not exceeding in the whole three thousand acres at any one time, with power to mortgage, sell lease, or otherwise dispose of the same or any part thereof, as they may deem expedient; and the said company shall have the right to prove and open mines, to mine and prepare for market coal, iron ore, limestone, fire clay and other minerals, or to use and consume the same; and manufacture iron, and to transport said articles or any of them to market, and traffic and dispose of the same, and to do all such other acts and things as may be necessary in the prosecution of said business; and also to make all such improvements and erect all such buildings, manufactories, mills, fixtures, machinery, furnaces, forges, et cetra, and to use and work the same, as a successful prosecution of said business may require. 10577

May purchase lands and mineral rights.

Limitation.

Mining and manufacturing privileges. 10578

Improvements, buildings, &c. May construct railroads.

SECTION 5. That the said company shall have the right to lay out and construct a railroad or railroads from any portion of their lands, and to connect the same with the railroad, canal or slack-water navigation of any company now or hereafter to be incorporated by the laws of this commonwealth, at any point they may select for such connection: Provided, That the length of said railroad so to be made by them shall not exceed five miles; and that in the construction of the proviso same the said company shall have all the powers and privileges, not inconsistent with this act or an act regulating lateral railroads approved May fifth, Anno Domini one thousand eight hundred and thirty-two. 10579 10580

SECTION 6. That any incorporated bank, coal, iron or coal and iron company shall have power to subscribe to the capital stock or purchase the bonds of said company and such subscriber shall be represented at the elections of said company by such person or persons as may be designated by the governing power of such subscribing corporation.

Certain corporations may subscribe to capital stock or purchase bonds of Company.

10581 SECTION 7. That the affairs of said company shall be managed and conducted by a board of seven directors, one of whom shall be president; they shall be elected by ballot within one year from the passage of this act, and annually thereafter at such times and places as the by-laws may prescribe; and if for any cause the election of directors shall not take place at the time fixed it shall be lawful to elect the same at any other time, after two weeks' notice; and in the meantime, and until their successors are duly
10582 qualified, the acting directors shall exercise their powers; and in all elections by the stockholders each share of stock shall entitle the holder to one vote in person or by proxy.

Management. Election of directors. Failure to hold election at time fixed. Vote.

SECTION 8. That the said company shall have power to adopt and use a common seal, with such device and inscription as they shall deem proper, and the same to change, alter and amend at pleasure, and the certificates of stock and other official acts shall be authenticated by affixing the same; and by the style and title aforesaid shall be capable in law to sue and be
10583 sued, plead and be impleaded, before any court in this commonwealth, and to enact all such by-laws as may be necessary for conducting and regulating the affairs of the company, and all other needful rules and regulations, not inconsistent with the constitution and laws of this state or the United States.

Seal. By-Laws

SECTION 9. This corporation shall pay into the treasury of the commonwealth a bonus of one-half of one per centum on the capital stock hereby authorized or hereafter created, in four equal annual installments,
10584 and such taxes on dividends as is or may be provided by laws; and the stockholders of said company shall be individually liable for all debts due mechanics, workmen and laborers employed by said company, and for all materials and provisions furnished to said company to be sued for and collected as is provided in the twelfth, thirteenth and fourteenth sections of the act incorporat-

Bonus. Taxes on dividends. Individual liability.

ing the Lackawanna Coal and Iron Company, approved 10585
the fifth day of April, one thousand eight hundred and fifty-three.

ELISHA W. DAVIS,
Speaker of the House of Representatives.
JAMES L. GRAHAM,
Speaker of the Senate.

APPROVED—The eleventh day of April, Anno Domini one thousand eight hundred and sixty-eight.

JNO. W. GEARY.

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## L. V. COAL CO. EXHIBIT NO. 2.

No. 1218.

AN ACT

To incorporate the Green Land Company.

SECTION 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by
Corporators. the authority of the same, that W. D. Seiler, E. 10587
M'Conkey, J. L. Selfridge, J. A. Smull, H. E. Smith, and their associates and such persons as may become holders of the stock of said company, are hereby created a body politic, in law and in deed, by the name, style and title of the Green Land Company, and as such
Title. have perpetual succession, and all the powers, privileges, franchises and immunities of a corporation.

Section 2. That the capital stock of said Company
Capital Stock. shall consist of one thousand shares of the par value of fifty dollars per share; and the president and directors 10588
shall have power from time to time, to issue such an additional amount of stock as they may deem necessary to carry out the objects of the corporation, or may issue
May issue bonds. the bonds of said company, bearing such rates of interest not exceeding eight per centum per annum, and payable at such times as they may designate, or may issue both said stocks and bonds, and dispose of either or both of the same at such price and in such way and manner as they may deem expedient, and shall have power to secure

10889 the principal and interest of said bonds by a mortgage or mortgages upon the whole or any parts of their property, real or personal, and their corporate rights and franchises acquired or to be acquired by said company.

Powers. Section 3. The said corporation shall have power to acquire, from time to time, by purchase, lease or otherwise, such lands as they may deem expedient, and to develop the same, and may lease, sell, mortgage or otherwise dispose of the such land, or any rights, easements or privileges therein, and may construct all necessary 10890 buildings and fixtures necessary for carrying on their business, and for the accommodation of persons engaged in their employ; the amount of land shall not exceed at any time five thousand acres.

Election of president and directors. Section 4. The stockholders at their annual meeting, or at some adjourned meeting shall serve for the ensuing year, and until their successors are elected; and any

Vacancies. vacancy in the office of president or directors shall be filled by the remaining directors or presidents and directors, as the case may be; any four of the presidents and directors, for the time being, shall constitute a 10891 Quorum and their powers. quorum, and shall be subject to the by-laws by the stockholders, excercise all the corporate powers which the corporation may at any time lawfully exercise, including the power of appointing all such officers, agents or employes as they may deem necessary, and may, from time to time, adopt, repeal, alter or amend the by-laws for regulating the business of the company not inconsistent with those adopted by the stockholders; and

May subscribe for or purchase stock &c. of other companies. it shall be lawful for the president and directors of said company to subscribe for or purchase the lands or stock 10892 of any other incorporated company.

JAMES H. WEBB,
Speaker of the House of Representatives.
WILLIAM A. WALLACE,
Speaker of the Senate.

APPROVED—The twenty-ninth day of May, Anno Domini one thousand and eight hundred and seventy-one.

JNO. W. GEARY.

## L. V. COAL CO. EXHIBIT NO. 3. 10883

No. 693.

A SUPPLEMENT

To an act incorporating the Green Land Company, approved May twenty-ninth, one thousand eight hundred and seventy-one.

SECTION 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That the said company shall 10894
have power to acquire, from time to time, by purchase lease or otherwise, such additional lands as they may deem expedient, and may sell, mortgage or otherwise dispose of the same; and may purchase, sell transport and mine coal, and manufacture iron and sell the same.

WILLIAM ELLIOTT,
Speaker of the House of Representatives.

JAMES S. RUTAN,
Speaker of the Senate.

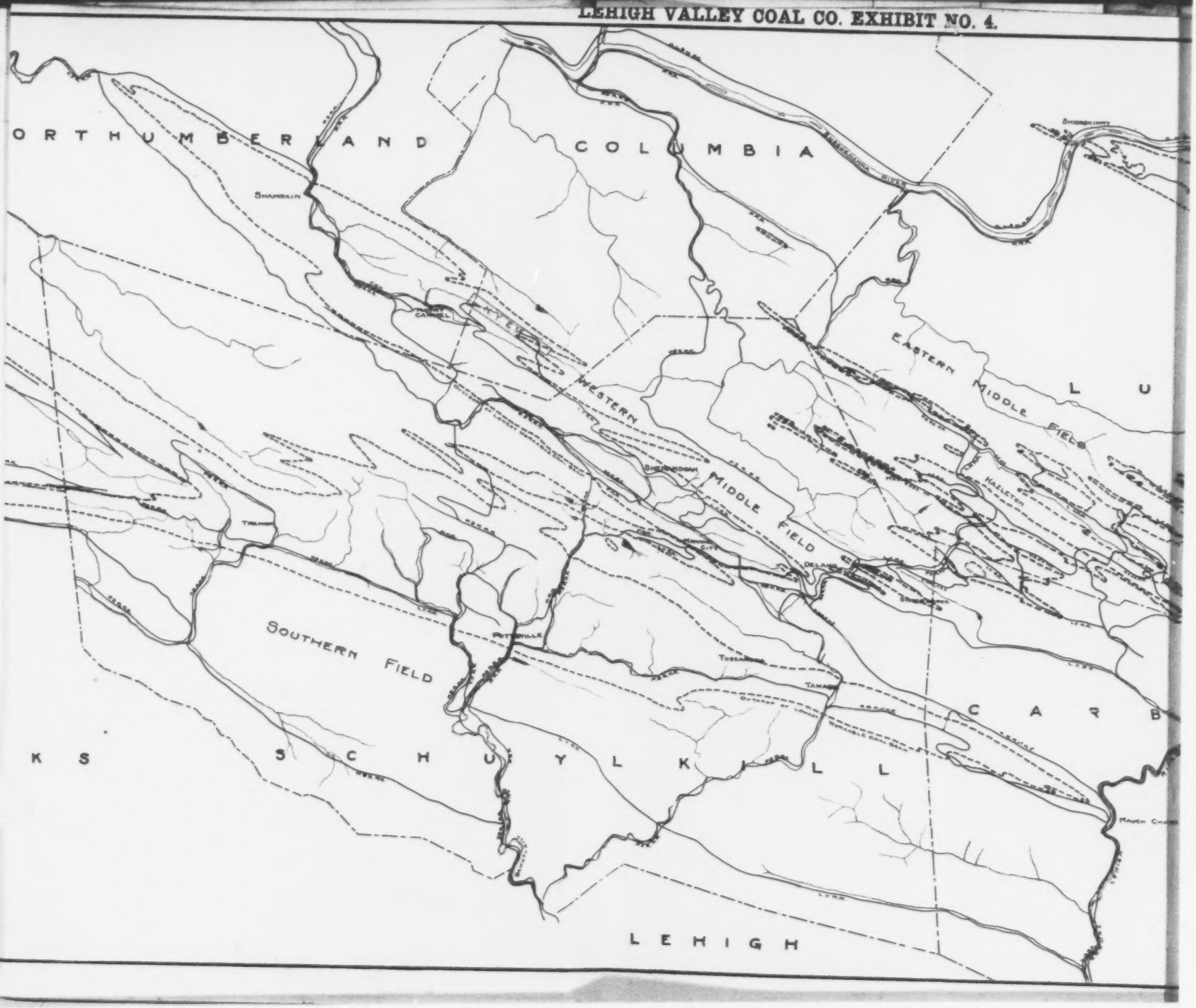
APPROVED—The second day of April, Anno Domini 10895
one thousand eight hundred and seventy-two.

JNO. W. GEARY.

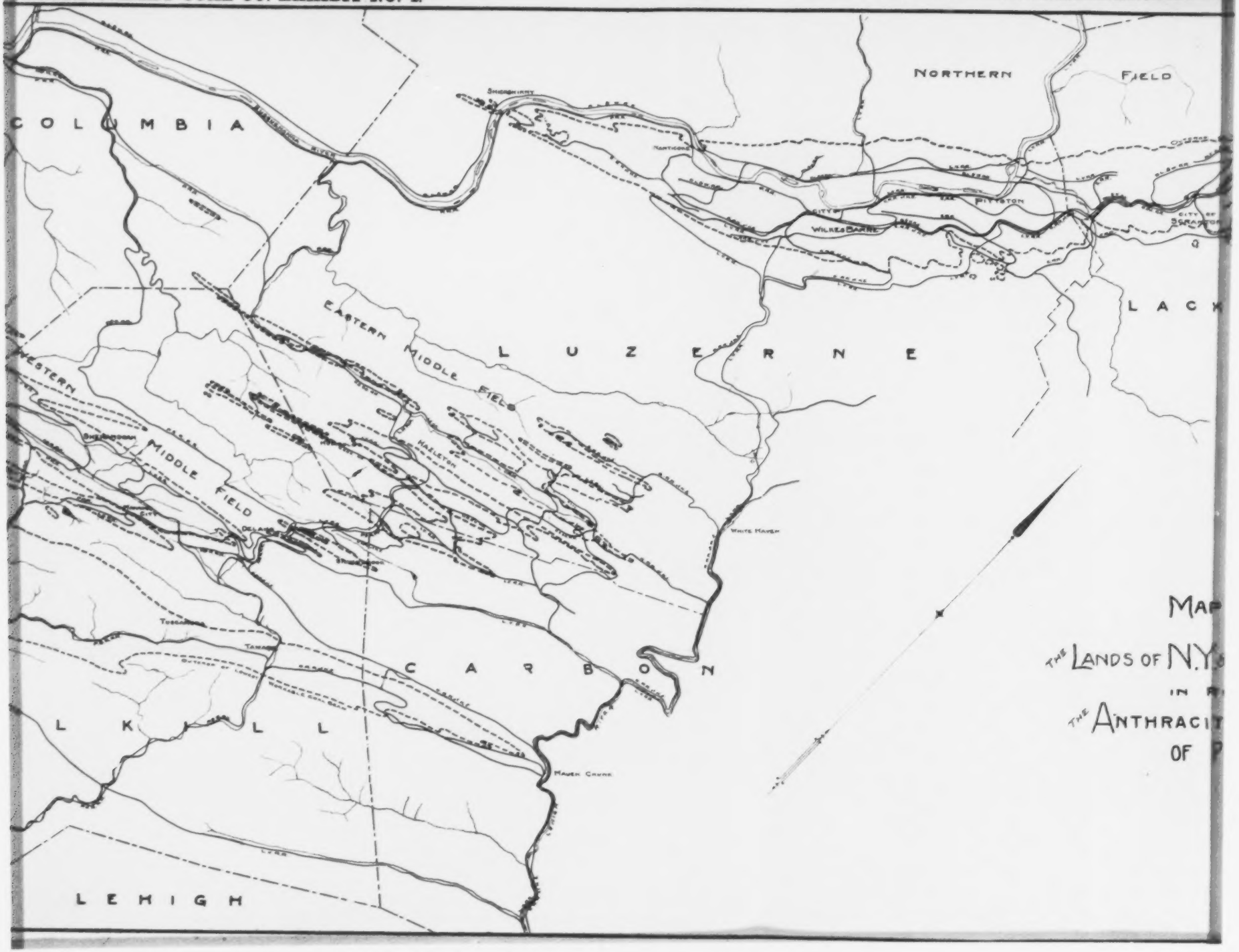
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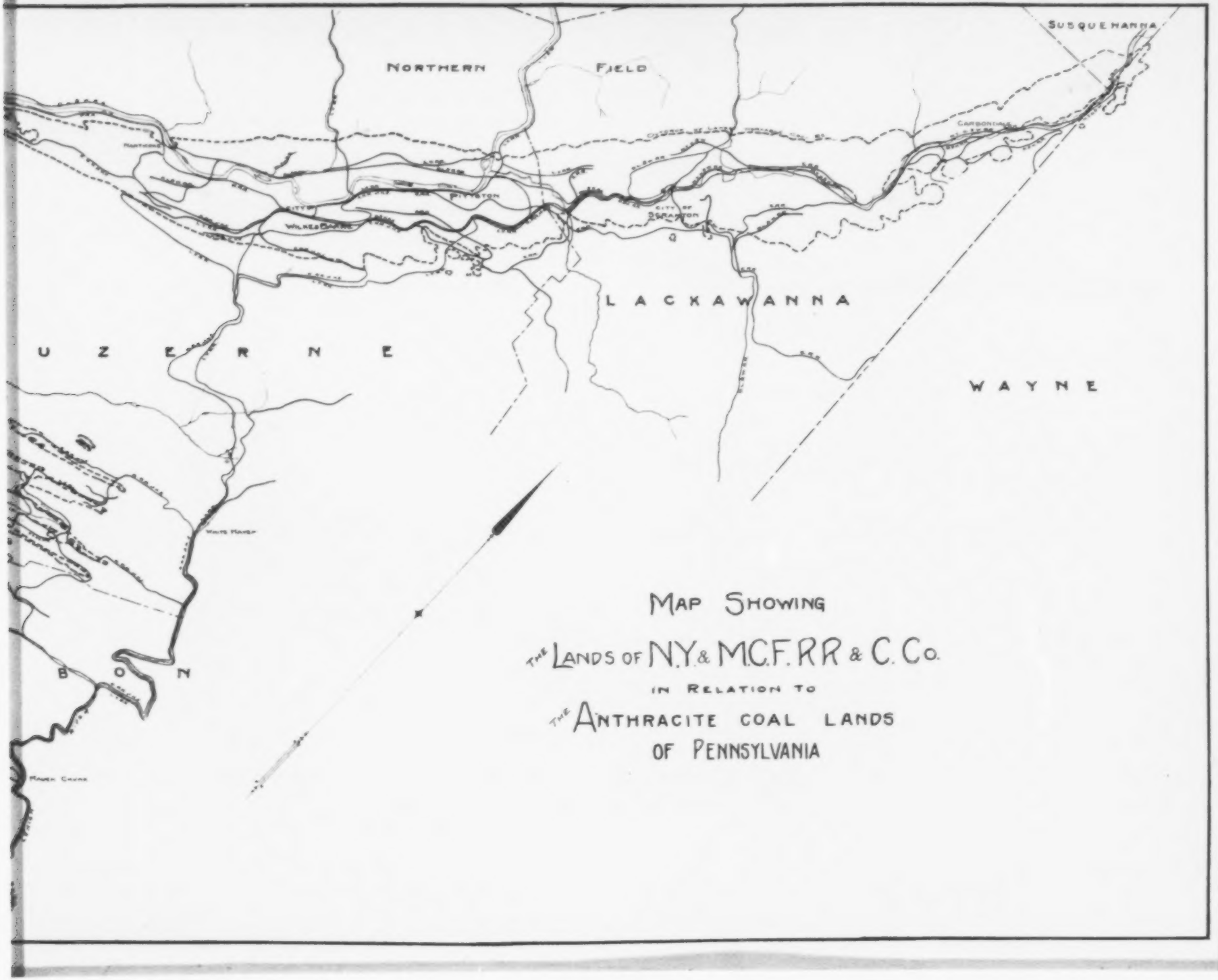

D A U P H I N
B E

LEHIGH VALLEY COAL CO. EXHIBIT NO. 4.



LEHIGH VALLEY COAL CO. EXHIBIT NO. 4.




NORTHERN
FIELD
SUSQUEHANNA
LACKAWANNA
U Z E R N E
WAYNE
B O N
Map Showing
The Lands of N.Y. & M.C.F.R.R. & C. Co.
in Relation to
The Anthracite Coal Lands
of Pennsylvania

Full circle shows total anthracite acreage
Open area shows total L.V.C.Co. acreage




L.V. Coal Co.
Exhibit "7"

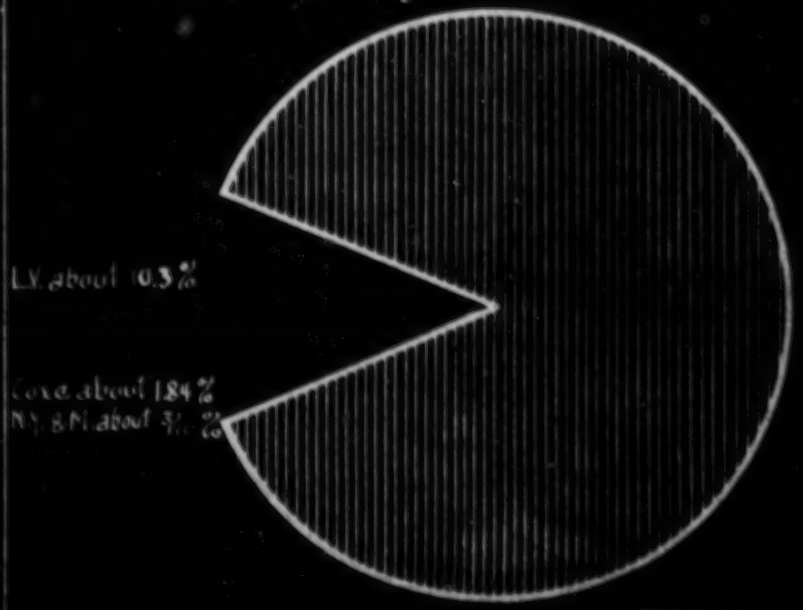



Full circle shows anthracite acreage naturally and conveniently tributary to L.V.R.R.

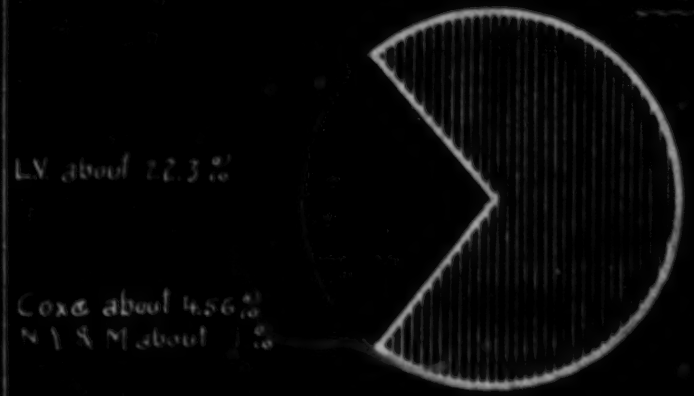
Open area shows L.V.C.Co. acreage which transports over L.V.R.R.

Full circle shows total anthracite acreage

Open areas show total acreages of L.V.C.Co. Coxe Bros. and N.Y. and M. Co.




L.V.Coal Co.
Exhibit 28




Full circle shows anthracite acreage naturally and conveniently tributary to L.V.R.R.

Open area shows L.V.C.Co. Coxe Bros. and N.Y. and M. acreage which transports over L.V.R.R.

## LEHIGH VALLEY COAL CO. EXHIBIT NO. 9. 10617

COXE BROTHERS AND COMPANY, INCORPORATED, TONNAGE (SHIPPED AND SOLD) YEARS ENDED OCTOBER 31st.

| 12 mos. end Oct. 31st | Drifton | Eckley | Beaver Meadow | Deringer | Oneida | Total |
|---|---|---|---|---|---|---|
| 1905 | 221,799 | 153,024 | 236,587 | 248,934 | 240,325 | 1,100,669 |
| 1906 | 261,553 | 132,633 | 237,181 | 208,679 | 221,996 | 1,062,042 |
| 1907 | 295,506 | 149,567 | 266,722 | 230,572 | 208,515 | 1,150,884 |
| 1908 | 269,782 | 162,170 | 232,058 | 185,264 | 224,605 | 1,073,879 |
| 1909 | 204,167 | 115,871 | 155,571 | 143,036 | 175,338 | 793,983 |
| 1910 | 261,026 | 157,005 | 202,142 | 216,488 | 211,097 | 1,047,758 |
| 1911 | 298,190 | 213,797 | 252,741 | 230,555 | 230,556 | 1,225,839 10618 |
| 1912 | 285,284 | 248,424 | 218,430 | 237,151 | 231,336 | 1,220,625 |
| 1913 | 311,098 | 270,125 | 242,543 | 241,671 | 240,956 | 1,306,393 |
| TOTAL | 2,408,407 | 1,602,616 | 2,043,975 | 1,942,350 | 1,984,724 | 9,982,072 |

Mining Suspended April and part May 1906
Mining Suspended April and part May 1912

Oneida coal prepared at Spring Mtn. (L. V.C. Co) beginning March 1909.
Deringer " " " Hazleton Shft. " " Sept. 1909.
Eckley " " " " " " April 1911.

July 2/14.

10619

10620

10621

## L. V. COAL CO. EXHIBIT NO. 10.

THE LEHIGH VALLEY COAL COMPANY
RESULTS OF COAL PURCHASED UNDER 65% CONTRACT.
WYOMING REGION
1907

| | JANUARY | Tons Purchased | Cost per Ton@ Mines | Net Realnd. per ton At Mines | Profit or Loss Per Ton | Profit or Loss |
|---|---|---|---|---|---|---|
| | Broken | 650.03 | $2.7466 | $2.8459 | $.0993 | $ 64.56 |
| | Egg | 14,748.16 | 3.2284 | 3.5602 | .3318 | 4,893.65 |
| | Stove | 13,370.00 | 3.2339 | 3.4636 | .2297 | 3,071.09 |
| | Chestnut | 16,324.19 | 3.2334 | 3.4556 | .2222 | 3,627.40 |
| 10622 | Pea | 7,696.11 | 1.5819 | 1.5495 | .0324 | 249.27 |
| | Buckwheat | 7,729.12 | 1.1931 | .9769 | .2162 | 1,671.14 |
| | Rice | 131.06 | .5000 | .4304 | .0696 | 9.14 |
| | Barley | 1,876.05 | .2500 | .0873 | .1627 | 338.66 |
| | TOTAL | | | | | 9,188.19 |
| | FEBRUARY | | | | | |
| | Egg | 15,852.06 | 3.2311 | 3.4511 | .2200 | 3,487.59 |
| | Stove | 16,237.04 | 3.2376 | 3.4312 | .1936 | 3,143.52 |
| | Chestnut | 18,735.18 | 3.2335 | 3.4606 | .2271 | 4,254.92 |
| | Pea | 8,336.18 | 1.5781 | 1.5109 | .0672 | 560.24 |
| | Buckwheat | 9,908.15 | 1.1927 | .9544 | .2383 | 2,361.26 |
| | Rice | 53.15 | .5000 | .4022 | .0978 | 5.20 |
| | Barley | 1,895.12 | .2500 | .2726 | .0226 | 980.64 |
| 10623 | TOTAL | | | | | 6,968.56 |
| | MARCH | | | | | |
| | Egg | 12,583.08 | 3.2304 | 3.1927 | .0377 | 474.39 |
| | Stove | 14,120.04 | 3.2371 | 3.2473 | .0102 | 144.03 |
| | Chestnut | 14,826.10 | 3.2294 | 3.1063 | .1231 | 1,825.16 |
| | Pea | 7,871.04 | 1.5770 | 1.4900 | .0870 | 684.70 |
| | Buckwheat | 8,357.15 | 1.1953 | .9644 | .2309 | 1,929.08 |
| | Barley | 2,065.09 | .2500 | .2674 | .0174 | 1,037.28 |
| | TOTAL | | | | | 5,797.04 |
| | APRIL | | | | | |
| | Egg | 15,459.15 | 2.9012 | 2.9593 | .0581 | 898.21 |
| | Stove | 16,437.12 | 2.9073 | 3.0418 | .1345 | 2,210.86 |
| | Chestnut | 19,502.06 | 2.9035 | 2.9327 | .0292 | 572.10 |
| 10624 | Pea | 9,633.02 | 1.5843 | 1.5841 | .0002 | 1.93 |
| | Buckwheat | 10,106.17 | 1.1915 | 1.0777 | .1138 | 1,150.16 |
| | Barley | 1,608.09 | .3000 | .1189 | .4189 | 668.96 |
| | TOTAL | | | | | 1,960.13 |
| | MAY | | | | | |
| | Egg | 12,435.07 | 2.9589 | 3.0034 | .0445 | 553.37 |
| | Stove | 12,193.13 | 2.9670 | 2.9576 | .0094 | 114.69 |
| | Chestnut | 13,951.19 | 2.9594 | 2.9629 | .0035 | 48.83 |
| | Pea | 8,091.16 | 1.5813 | 1.5390 | .0423 | 342.30 |
| | Buckwheat | 8,067.02 | 1.1940 | 1.0553 | .1387 | 1,118.91 |
| | Barley | 1,564.10 | .3000 | .0017 | .9017 | 1,410.71 |
| | | | | | | 2,394.33 |

## L. V. COAL CO. EXHIBIT NO. 10—(Continued). 10625

| | Tons Purchased | Cost per Ton @ Mines | Net Realzd. per ton At Mines | Profit or Loss Per Ton | Profit or Loss | |
|---|---|---|---|---|---|---|
| JUNE | | | | | | |
| Broken | 17.10 | $2.7441 | $2.7106 | $0.0335 | $ .57 | |
| Egg | 16,044.10 | 3.0160 | 3.0047 | .0113 | 181.26 | |
| Stove | 17,019.17 | 3.0275 | 3.0504 | .0229 | 389.75 | |
| Chestnut | 19,871.17 | 3.0213 | 3.0318 | .0105 | 208.65 | |
| Pea | 9,559.05 | 1.5791 | 1.5172 | .0619 | 591.73 | |
| Buckwheat | 11,233.14 | 1.1948 | 1.0445 | .1503 | 1,688.43 | |
| Barley | 1,664.14 | .3000 | .0964 | .3964 | 510.06 | |
| TOTAL | | | | | 3,373.79 | 10626 |
| JULY | | | | | | |
| Broken | 1,011.00 | 2.7486 | 2.7789 | .0303 | 30.63 | |
| Egg | 9,060.13 | 3.0805 | 3.0592 | .0213 | 192.99 | |
| Stove | 13,365.15 | 3.0906 | 3.1534 | .0628 | 839.37 | |
| Chestnut | 14,165.08 | 3.0888 | 3.1000 | .0112 | 158.65 | |
| Pea | 8,459.08 | 1.6008 | 1.5001 | .1007 | 851.96 | |
| Buckwheat | 7,835.13 | 1.1915 | 1.1033 | .0883 | 691.10 | |
| Barley | 2,092.15 | .3000 | .1968 | .1032 | 277.89 | |
| TOTAL | | | | | 3,035.19 | |
| AUGUST | | | | | | |
| Broken | 2,494.11 | 2.7444 | 2.6472 | .0972 | 242.47 | |
| Egg | 7,435.10 | 3.1561 | 3.1657 | .0096 | 71.38 | |
| Stove | 14,904.14 | 3.1583 | 3.2557 | .0974 | 1,451.72 | |
| Chestnut | 15,999.10 | 3.1572 | 3.2437 | .0865 | 1,383.96 | 10627 |
| Pea | 9,602.18 | 1.5085 | 1.4956 | .1029 | 988.14 | |
| Buckwheat | 8,146.13 | 1.1917 | 1.0066 | .1851 | 1,507.94 | |
| Rice | 715.05 | .5500 | .4661 | .0839 | 60.01 | |
| Barley | 2,904.18 | .3000 | .2939 | .0061 | 17.73 | |
| TOTAL | | | | | 90.78 | |
| SEPTEMBER | | | | | | |
| Broken | 2,643.03 | 2.7496 | 2.7446 | .0050 | 13.23 | |
| Egg | 9,631.12 | 3.2040 | 3.2038 | .0998 | 864.97 | |
| Stove | 13,436.16 | 3.2143 | 3.3197 | .1054 | 1 | |
| Chestnut | 15,569.03 | 3.2061 | 3.3443 | .1382 | 2 | |
| Pea | 8,412.02 | 1.6089 | 1.5689 | .0400 | | |
| Buckwheat | 7,717.04 | 1.2534 | 1.1067 | .1467 | 1 | |
| Rice | 737.16 | .5500 | .4926 | .0574 | | |
| Barley | 2,500.01 | .3000 | .2631 | .0369 | | |
| TOTAL | | | | | | |
| OCTOBER | | | | | | |
| Broken | 2,064.03 | 2.7479 | 2.9263 | .1784 | | |
| Egg | 17,090.17 | 3.2238 | 3.3669 | .1431 | | |
| Stove | 17,606.04 | 3.2285 | 3.3943 | .1658 | | |
| Chestnut | 21,320.06 | 3.2263 | 3.4653 | .2390 | | |
| Pea | 10,368.09 | 1.6135 | 1.6871 | .0736 | | |
| Buckwheat | 11,028.16 | 1.1997 | 1.1733 | .0264 | | |
| Rice | 397.05 | .6000 | .5193 | .0807 | | |
| Barley | 2,701.01 | .3000 | .2678 | .0322 | | |
| TOTAL | | | | | 1 | |

10629 **L. V. COAL CO. EXHIBIT NO. 10—(Continued).**

| | Tons Purchased | Cost per Ton@ Mines | Net Realzd. per ton At Mines | Profit or Loss Per Ton | Profit or Loss |
|---|---|---|---|---|---|
| NOVEMBER | | | | | |
| Broken | 2,872.09 | $2.7448 | $2.7751 | $0.0303 | $ 87.04 |
| Egg | 11,936.08 | 3.2254 | 3.3451 | .1197 | 1,428.79 |
| Stove | 10,954.12 | 3.2322 | 3.4247 | .1925 | 2,108.76 |
| Chestnut | 13,022.02 | 3.2285 | 3.5157 | .2872 | 3,739.95 |
| Pea | 7,644.13 | 1.6172 | 1.7200 | .1028 | 785.87 |
| Buckwheat | 6,416.01 | 1.2518 | 1.1828 | .0690 | 442.71 |
| Barley | 1,771.17 | .3000 | .2618 | .0382 | 67.68 |
| 10630 TOTAL | | | | | 7,640.02 |
| DECEMBER | | | | | |
| Broken | 1,138.14 | 2.7472 | 2.7241 | .0231 | 26.30 |
| Egg | 17,838.02 | 3.2321 | 3.2934 | .0613 | 1,093.48 |
| Stove | 17,643.10 | 3.2328 | 3.3321 | .0993 | 1,752.00 |
| Chestnut | 21,816.14 | 3.2298 | 3.3564 | .1266 | 2,761.99 |
| Pea | 10,093.08 | 1.6504 | 1.7159 | .0655 | 661.12 |
| Buckwheat | 8,690.18 | 1.2535 | 1.0961 | .1574 | 1,367.95 |
| Rice | 137.18 | .6000 | .5445 | .0555 | 7.65 |
| Barley | 2,538.14 | .3000 | .2840 | .0160 | 40.62 |
| TOTAL | | | | | 4,826.07 |
| 10631 GRAND TOTAL | | | | | $33,209.82 |

July 27/14.

10624 /
REC'D
FEB

MESCHEE

# TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, [redacted] 1919

No. [redacted]

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

LEHIGH VALLEY RAILROAD COMPANY, LEHIGH VALLEY COAL COMPANY, ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

## VOLUME V.

PLEADINGS.

FILED FEBRUARY 25, 1915.

# SUPREME COURT OF THE UNITED STATES.

## OCTOBER TERM, 1915.

## No. 363.

## THE UNITED STATES OF AMERICA, APPELLANT,

vs.

## LEHIGH VALLEY RAILROAD COMPANY, LEHIGH VALLEY COAL COMPANY, ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

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a

*Præcipe.*

In the District Court of the United States for the Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,
*vs.*
LEHIGH VALLEY RAILROAD COMPANY ET AL. } *In equity.*

MR. CLERK:

Please incorporate the following portions of the record in the transcript on the appeal heretofore prayed by the United States of America, petitioner, from the final decree in this case:

1. Docket entries.
2. The original petition and Petitioner's Exhibits Nos. 1, 2, 3, and 4.
3. Answer of the Lehigh Valley Railroad Company.
4. Answer of the Lehigh Valley Coal Company.
5. Answer of the Lehigh Valley Coal Sales Company.
6. Answer of Coxe Brothers and Company, Incorporated.
7. Answer of the Delaware, Susquehanna and Schuylkill Railroad Company.
8. Answer of the New York and Middle Coal Field Railroad and Coal Company.
9. Answer of the G. B. Markle Company.
10. Answer of the Girard Trust Company, with two exhibits.
11. Answer of Eben B. Thomas et al., individual defendants.
12. Testimony and exhibits filed with the examiner.
13. Opinion of the court, filed the 21st day of December, 1914.

b

14. Final decree dismissing the petition.
15. Assignments of error.
16. Petition for appeal.
17. Order allowing appeal.
18. Petition to have testimony reproduced in the transcript of record in the exact words of the witnesses.
19. Order directing testimony to be reproduced in the transcript of record in the exact words of the witnesses.
20. Citation.

ARTHUR W. MACHEN, JR.,
*Special Assistant to the Attorney General.*

Service of copy of the foregoing præcipe acknowledged this 9th day of February, 1915.

EDGAR H. COLES.

Service of copy of the foregoing præcipe acknowledged this 9th day of February, 1915.

ALLAN MCCULLOH.

Service of copy of the foregoing præcipe acknowledged this 9th day of February, 1915.

E. V. B. GETTY.

Service of copy of the foregoing præcipe acknowledged this 9th day of February, 1915.

SILAS W. HOWLAND.

Service of copy of the foregoing præcipe acknowledged this 9th day of February, 1915.

NICHOLAS W. HACKER.

(Endorsed:) U. S. District Court, S. D. of N. Y. Filed Feb. 11, 1915.

| | |
|---|---|
| UNITED STATES<br>*vs.*<br>LEHIGH VALLEY R. R. Co.; LEHIGH VALLEY Coal Co.; Lehigh Valley Coal Sales Co.; Coxe Brothers & Co., Inc.; Delaware, Susquehanna & Schuylkill R. R. Co.; New York and Middle Coal Field R. R. and Coal Co.; The G. B. Markle Co.; Girard Trust Co.; Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Chas. Steele, Abram Nesbit, Geo. F. Baker, Geo. F. Baer, Edw. B. Smith, Wm. H. Moore, Edward S. Moore, Wm. R. Butler, Henry B. Coxe, and Fred M. Kirby. | Eq. Docket 11-129. |

H. Snowden Marshall, U. S. Atty. Root, Clark, Buckner & Howland, 31 Nassau St.; E. V. B. Getty, 206 B'way; Everett, Warren and Nicholas W. Hacker, 140 Cedar St.; Allan McCulloh and F. W. Wheaton, 165 B'way; Boles and Johnson.

1914.

Mar. 18. Filed bill & exhibits (paper) in 1 cover.

Mar. 18. Filed pet'n & order for issuance of subpœnas in any district to be served by U. S. marshal in those districts.

Mar. 19. Filed præcipe and issued subpœna (7).

Mar. 24. Filed subpœna and return served Edgar H. Boles as attorney for Daniel G. Reid, Chas. Steele, Geo. F. Baker, and Wm. H. Moore, 3/24/14.

Mar. 26. Filed subpœna and certified copy of order of Mar. 18/14, and return of marshal of Eastern Dist. p. s. Lyman D. Smith, 3/25/14.

Mar. 31. Filed subpœna and certified copy of order of Mar. 18/14 and returns served John R. Turner, asst. sec. of Corp. Trust Co., agent of Lehigh Valley Coal Sales Co., 3/27/14.

Apr. 2. Filed subpœna and certified copy of order of Mar. 18/14, and return p. s. Abram Nesbit at Kingston, N. Y., 3/26/14, Fred M. Kirby at Wilkesbarre, Pa., 3/30/14, and served Thos. F. Depuy, supt. for Wm. R. Butler, 3/25/14, and A. B. Jessup, vice prest. G. B. Markle Co., 3/26/14.

Apr. 8. Filed subpœna and copies of order and complaint and return served J. W. Robbins as asst. secy. of Lehigh Valley R. R. Co., Delaware Susp. & Schuylkill R. R. Co., N. Y. & Middle Coal Field R. R. & Coal Co.; served J. A. Hart as asst. secy. of O. W. Coxe Bros. & Co. and Lehigh Valley Coal Co.; served W. B. Ely as vice president Girard Trust Co. and p. s. E. T. Stotesbury, Henry B. Coxe, Geo. F. Baer, and E. B. Smith, 3/26/14, at Philadelphia, Pa. Served Mrs. P. A. Ellerman, housekeeper for E. B. Thomas, at Bethlehem, 3/26/14.

Apr. 13. Filed appearance Root, Clark, Buckner & Howland for Girard Trust Co.

Apr. 15. Filed subpœna and copies of order and complaint and return p. s. Edward S. Moore 4/9/14, at Chicago; I am unable to find other within named in my district.

d Apr. 30. Filed answer G. B. Markle Co.

Apr. 30. Filed answer Lehigh Valley Coal Sales Co.

May 1. Filed answer Coxe Bros. & Co.

May 1. Filed answer N. Y. & Middle Coal Field R. R. & Coal Co.

May 1. Filed answer Lehigh Valley Coal Co.

May 2. Filed answer Girard Trust Co., Trustee, &c., and exhibits.

May 14. Filed answer Lehigh Valley R. R.

May 14. Filed answer Del., Susq. & Schuylkill R. R. Co.

May 14. Filed answer E. B. Thomas et al.

June 16. Filed afft. & order appointing B. W. B. Brown, 52 Wall St., as special master, &c.

July 24. Hand, J. Case called and marked off calendar.

Nov. 9. Filed testimony (4 volumes).

Nov. 11. Hough, J. Argument on printed record begun.

Nov. 12. Hough, J. Argument concluded. Decision reserved.

Dec. 21. Filed opinion (Hough, J.). Bill dismissed.

1915.

Feb. 8. Filed decree dismissing bill.

Feb. 8. Filed pet'n & order allowing appeal.

Feb. 8. Filed assignment of errors.

Feb. 8. Filed petition and order waiving provisions of equity rule 75 in making up record on appeal.

Feb. 11. Filed præcipe on appeal.

Feb. 11. Filed citation (Hough, J.).

Feb. . Certified transcript of record to U. S. Supreme Court, Washington, D. C.

In the District Court of the United States, Southern District of New York.

| | |
|---|---|
| THE UNITED STATES OF AMERICA, PETITIONER,<br>*v.*<br>LEHIGH VALLEY RAILROAD COMPANY, LEHIGH Valley Coal Company, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Rail Road Company, New York and Middle Coal Field Railroad and Coal Company, The G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants. | In Equity, No. —. |

*Original petition.*

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3 In the District Court of the United States, Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,

*v.*

LEHIGH VALLEY RAILROAD COMPANY, LEHIGH VALLEY COAL COMPANY, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Rail Road Company, New York and Middle Coal Field Railroad and Coal Company, The G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants.

*Original petition.*

*To the judges of the District Court of the United States for the Southern District of New York, sitting in equity.*

I.—PARTIES AND OBJECT.

The United States of America, by its attorney for the Southern District of New York, acting under the direction of the Attor-
4 ney General, brings this proceeding in equity against Lehigh Valley Railroad Co., Lehigh Valley Coal Co., Lehigh Valley

Coal Sales Co., Coxe Bros. & Co., Inc., Delaware, Susquehanna & Schuylkill Rail Road Co., New York & Middle Coal Field Railroad & Coal Co., The G. B. Markle Co., Girard Trust Co., Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby.

The defendants other than Girard Trust Co. are parties to a combination and conspiracy to restrain and monopolize interstate and foreign trade and commerce in anthracite coal, and are attempting to monopolize and are monopolizing a part of such trade and commerce, in violation of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies" (26 Stat., 209). Defendant Lehigh Valley Railroad Co. is also transporting in interstate and foreign commerce anthracite coal (not necessary or intended for its own use as a common carrier) mined by it or under its authority and in which it has an interest, direct or indirect, in violation of that portion of section 1 of the act of Congress entitled "An act to regulate commerce" (24 Stat., 379) as amended June 29, 1906 (34 Stat., 584), known as the commodity clause, and in furtherance of the aforesaid combination and conspiracy and attempt to monopolize.

5 This proceeding is brought to prevent defendants from further restraining, monopolizing, or attempting to monopolize trade and commerce in anthracite coal, in violation of the act of July 2, 1890, and also to prevent defendant Lehigh Valley Railroad Co. from further transporting in interstate commerce anthracite coal in which it has an interest, in violation of the commodity clause.

And on information and belief petitioner alleges:

## II.—Description of Defendants.

### *1. Lehigh Valley Railroad Co.*

Lehigh Valley Railroad Co., hereinafter called Lehigh Railroad, is a corporation of Pennsylvania, with general offices at 228 South Third Street, Philadelphia, Pa., and also at 143 Liberty Street, New York, N. Y.

It is a common carrier subject to the act of Congress approved February 4, 1887, entitled "An act to regulate commerce" (24 Stat., 379), and as such operates a railroad system with main lines (including those of subsidiary companies controlled through stock ownership) aggregating approximately 1,400 miles in length and extending from New York, N. Y., and Perth Amboy, N. J., through the States of New York, New Jersey, and Pennsylvania, into the hereinafter-described anthracite coal fields, and thence on to Rochester and to Buffalo and North Fair Haven upon the Great Lakes. Through ownership of a majority of the capital stock of the Lehigh Valley

Transportation Co. it controls a line of steamships plying
6 upon the Great Lakes, connecting with Lehigh Railroad at Buffalo, N. Y. Its lines also connect with other railroads and water lines which extend into many States and into foreign countries.

It is engaged in carrying passengers and miscellaneous freight in interstate commerce, especially in transporting anthracite coal from the mines in Pennsylvania to markets in other States and in foreign countries.

It has outstanding $60,501,700 of common stock—1,210,034 shares of $50 each, par value—and $108,300 of preferred stock—2,126 shares of $50 each, par value. Its funded debt is about $85,840,000 and its assets are about $182,000,000, book value.

*2. Lehigh Valley Coal Co.*

Lehigh Valley Coal Co., hereinafter called Lehigh Coal Co., is a corporation of Pennsylvania, and is engaged in mining and purchasing anthracite coal and in shipping and selling the same in interstate commerce. It has general offices at 228 South Third Street, Philadelphia, Pa., and also at 143 Liberty Street, New York, N. Y. It holds in fee or by leases about 54,229 acres of land in the anthracite-producing regions of Pennsylvania along the lines of Lehigh Railroad, of which it is estimated about 28,723 acres contain anthracite. Its outstanding capital stock is $1,965,000—39,300 shares of $50 each, par value—all of which, except a few shares to qualify directors, is owned by Lehigh Railroad. Its funded debt is $20,296,000. Its assets are about $35,000,000, book value.

7 *3. Lehigh Valley Coal Sales Co.*

Lehigh Valley Coal Sales Co., hereafter called Lehigh Coal Sales Co., is a corporation of New Jersey, and is engaged in purchasing, shipping, and selling (chiefly in interstate commerce) anthracite coal. Its principal office is at 15 Exchange Place, Jersey City. Its actual operating office, however, is at 90 West Street, New York, N. Y. Its outstanding capital stock is $7,576,000—151,520 shares of $50 each, par value. Under a contract more particularly referred to hereinafter it takes over substantially the entire output of Lehigh Coal Co.

*4. Coxe Brothers & Co., Inc.*

Coxe Brothers & Co., Inc., is a corporation of Pennsylvania and is engaged in mining and selling anthracite coal. Its principal office is at 228 South Third Street, Philadelphia, Pa. Its outstanding capital stock is $2,910,150—58,203 shares of $50 each, par value—all of which is owned by Lehigh Railroad. It holds in fee or under long-term leases about 36,490 acres of land in the anthracite-producing regions of Pennsylvania, along the lines of Lehigh Railroad, of

which it is estimated about 7,169 acres contain anthracite. Its entire output—normally about 1,400,000 gross tons a year—is taken over at the mines by Lehigh Coal Co., which transfers it, also at the mines, to Lehigh Coal Sales Co., which in turns sells it (principally in interstate commerce) to the public.

8 *5. Delaware, Susquehanna & Schuylkill Rail Road Co.*

Delaware, Susquehanna & Schuylkill Rail Road Co. is a corporation of Pennsylvania, with its principal office at 228 South Third Street, Philadelphia, Pa. Its outstanding capital stock is $1,500,000—30,000 shares of $50 each, par value—all of which is owned by Lehigh Railroad. It operates a gathering line about 50 miles long connecting Lehigh Railroad with the collieries of Coxe Bros. & Co., Inc., and also with those of independent operators.

*6. New York & Middle Coal Field Railroad & Coal Co.*

New York & Middle Coal Field Railroad & Coal Co. is a corporation of Pennsylvania, with its principal office at 228 South Third Street, Philadelphia, Pa. Its outstanding capital stock is $1,500,000—30,000 shares of $50 each, par value—of which Lehigh Railroad owns over $1,200,000. It owns in fee approximately 1,211 acres of anthracite coal-bearing lands, a large part of which for many years have been leased to Lehigh Coal Co.

*7. The G. B. Markle Co.*

The G. B. Markle Co. is a corporation of Pennsylvania, with its principal office at Jeddo, Pa. It is engaged in mining anthracite coal in Hazelton County, Pa. Under an exclusive sales agency contract its entire output—normally exceeding 1,000,000 gross tons—is marketed by Lehigh Coal Sales Co.

9 *8. Girard Trust Co.*

Girard Trust Co. is a banking and fiduciary corporation of Pennsylvania, doing business in Philadelphia in that State. Under the terms of a mortgage executed by Lehigh Railroad, it holds in trust the entire holdings of the railroad in the capital stocks of Lehigh Coal Co., Coxe Bros. & Co., Inc., New York & Middle Coal Field Railroad & Coal Co., and Delaware, Susquehanna & Schuylkill Rail Road Co.

*9. Individual defendants.*

Eben B. Thomas is a resident of South Bethlehem, Pa., and president of Lehigh Railroad, Lehigh Coal Co., Coxe Bros & Co., Inc., Delaware, Susquehanna & Schuylkill Rail Road Co., New York & Middle Coal Field Railroad & Coal Co., and also a director

of Coxe Bros. & Co., Inc., and New York & Middle Coal Field Railroad & Coal Co.

Lyman D. Smith resides at 899 St. Marks Avenue, Brooklyn, N. Y., and is vice president of Lehigh Railroad and New York & Middle Coal Field Railroad & Coal Co., and a director of Lehigh Coal Co., Lehigh Coal Sales Co., Coxe Bros. & Co., Inc., and New York & Middle Coal Field Railroad & Coal Co.

Edward T. Stotesbury is a resident of Philadelphia, Pa., and a director of Lehigh Railroad, Lehigh Coal Co., Coxe Bros. & Co., Inc., and New York & Middle Coal Field Railroad & Coal Co.

10 Daniel G. Reid resides at 875 Fifth Avenue, New York, N. Y., and is a director of Lehigh Railroad, Lehigh Coal Co., and Coxe Bros. & Co., Inc.

Charles Steele resides at 11 East Sixty-second Street, New York, N. Y., and is a director of Lehigh Railroad.

Abram Nesbit is a resident of Wilkes-Barre, Pa., and a director of Lehigh Railroad.

George F. Baker resides at 258 Madison Avenue, New York, N. Y., and is a director of Lehigh Railroad.

George F. Baer is a resident of Reading, Pa., and a director of Lehigh Railroad.

Edward B. Smith is a resident of Philadelphia, Pa., and a director of Lehigh Railroad.

William H. Moore resides at 4 East Fifty-fourth Street, New York, N. Y., and is a director of Lehigh Railroad.

Edward S. Moore is a resident of Chicago, Ill., and a director of Lehigh Railroad.

William R. Butler is a resident of Mauch Chunk, Pa., and a director of Lehigh Railroad.

Henry B. Coxe is a resident of Philadelphia, Pa., and a director of Lehigh Railroad.

Fred M. Kirby is a resident of Wilkes-Barre, Pa., and a director of Lehigh Railroad.

The said Eben B. Thomas, as president, and the said Lyman D. Smith, as vice president, and the said Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S.

11 Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, as directors (being all of the directors), of Lehigh Railroad, control and direct its policies and acts, and are responsible for the continuance of the hereinafter-described combinations and monopolizations in restraint of interstate and foreign trade and commerce in anthracite coal.

## III.—Description of Subject Matter.

### *1. Use and value of anthracite.*

Anthracite is an article of prime necessity in general use throughout New England, the Middle Atlantic States, and to a lesser extent

in other sections of this country and in Canada. It is classified in the trade according to sizes described, as follows: (1) Broken, (2) egg, (3) stove, (4) chestnut, (5) pea, (6) buckwheat, (7) rice, or buckwheat No. 2, (8) barley, or buckwheat No. 3. The "prepared sizes" include everything larger than pea. They bring the highest prices and are chiefly used for domestic purposes. The smaller sizes are used extensively for steam purposes, principally in New York City, Boston, and other large cities in the East.

Recently the average yearly production has exceeded 75,000,000 gross tons. In value of output it is surpassed only by pig iron and bituminous coal among all the mineral products of the United States. Gold and silver, copper, lead, zinc, petroleum, natural gas, clay products, stone—all of these are subordinate to it.

12 *2. Location and extent of the deposits.*

With insignificant exceptions, the only known deposits of anthracite of economic value underlie an area of 484 square miles (309,760 acres) in adjoining counties of eastern Pennsylvania, distant by rail, at the nearest points, 90 miles from Philadelphia, 145 miles from New York, 250 miles from Pittsburgh, and 265 miles from Buffalo.

The deposits are divided geologically and geographically into four fields, designated by the Pennsylvania Geological Survey as the northern, containing 176 square miles, in Lackawanna and Luzerne Counties; the eastern middle, containing 33 square miles, in the southern extremity of Luzerne County; the western middle, containing 94 square miles, in Schuylkill, Columbia, and Northumberland Counties; and the southern, containing 181 square miles, in Schuylkill County, with projections into Dauphin and Carbon Counties. For trade purposes they are divided into three regions—the Wyoming, 176 square miles in area, embracing the northern field; the Lehigh, 45 square miles, embracing the eastern middle field and the small projection of the southern field east of Tamaqua; and the Schuylkill, 263 square miles, embracing all of the southern field west of Tamaqua and the entire western middle field. Scranton and Wilkes-Barre are the principal towns of the Wyoming region, Hazleton of the Lehigh, and Pottsville of the Schuylkill.

Only free-burning white ash—the standard variety, consti-
13 tuting not less than 75 per cent of the total production in all regions—is mined in the Wyoming region. In the Lehigh a hard white ash and in the Schuylkill several varieties of red ash are produced, in addition to free-burning white ash.

*3. Transportation outlets.*

In the early years of the industry anthracite was sent to market by river and canal. Water transportation, however, has been nearly abandoned. Virtually all the output not consumed in the vicinity

now moves from the mines over the railroad systems penetrating the region, of which there are ten, namely:

(1) The defendant Lehigh Railroad, reaching into all three of the trade regions and extending to Perth Amboy and Jersey City on New York Harbor and to Buffalo on Lake Erie.

(2) The Philadelphia & Reading, reaching into the Schuylkill and Lehigh regions and extending thence to Philadelphia and from there through Pennsylvania and New Jersey to Port Reading on New York Harbor.

(3) The Central Railroad of New Jersey, entering the Wyoming and Lehigh regions and extending thence through Pennsylvania and New Jersey to Port Johnson and Elizabethport and Jersey City on New York Harbor.

(4) The Pennsylvania, reaching all of the regions.

(5) The Delaware, Lackawanna & Western, extending from the Wyoming region to Hoboken on New York Harbor and to Buffalo.

14 (6) The Erie, extending from the Wyoming region to Weehawken on New York Harbor and to Buffalo and Chicago.

(7) The New York, Susquehanna & Western, extending from the Wyoming region to Edgewater on New York Harbor.

(8) The New York, Ontario & Western, extending from the Wyoming region to tidewater at Cornwall and Weehawken and to Oswego on Lake Ontario.

(9) The Delaware & Hudson, extending from the Wyoming region to the northward, but not to tidewater, unless Albany be considered such.

(10) The Lehigh & New England, extending from the Lehigh region to Campbell Hall, New York, there connecting with the lines of the New York Central and the New York, New Haven & Hartford systems.

The Wyoming region is thus served by eight railroads, the Lehigh by five, and the Schuylkill by three.

The transportation of anthracite by railroad at the rates now and for a long time past in force has been and is enormously profitable.

*4. Geographical distribution of the output.*

Approximately from 10 to 12 per cent of the total production of anthracite is not shipped but is consumed at local points and in the operation of the mines. Of that shipped to market, about four-fifths moves outside of Pennsylvania in the channels of interstate commerce.

15 New York Harbor is the principal market and distributing point. Over 25 per cent of all the anthracite shipped goes there. Of the total moving by Lehigh Railroad, the percentage going to New York Harbor is even higher. For several years prior to 1912, the New York office of Lehigh Coal Co. (which sold through-

out New Jersey, New England, and southern New York) alone has handled annually over 4,000,000 gross tons, the total amount transported annually by the Lehigh Railroad being about 11,000,000 gross tons.

Of the before-mentioned railroads serving the mines, all but the Lehigh & New England and the Delaware & Hudson reach tidewater at New York Harbor, and all charge substantially the same rates thereto from the mines, irrespective of the length of the haul. The terminals of these roads on New York Harbor for coal traffic are located on the New Jersey side from Edgewater on the north, about opposite 110th Street, Manhattan, to South Amboy on the south. Those of the Lehigh Railroad are at Perth Amboy.

At these points, after passing the larger sizes over screens to remove the dust and small particles produced by abrasion in transportation (from which an appreciable wastage results) the coal is weighed and dumped into barges and sold free on board. From Edgewater, Hoboken, and Weehawken, known as the upper ports,
the freight charge to alongside docks in New York is about
16 15 cents a ton. From the remaining or lower ports, including
Perth Amboy, which are farther away, it is 5 cents a ton more. To offset this difference in water freight the selling price is 5 cents a ton less at the lower ports, making the cost to the purchaser delivered alongside docks in New York the same whether delivered at the terminal of one railroad or another. Besides that delivered free on board at the various terminals, some of the anthracite shipped to New York Harbor is transferred, in the cars, to floats, which are towed to the points of destination.

Another important market for anthracite is Buffalo, N. Y. About 2,000,000 tons a year are transported there over the lines of Lehigh Railroad alone for local consumption, for delivery to connecting lines, or for transshipment over the Great Lakes.

During November, 1912 (a typical winter month), the anthracite tonnage over Lehigh Railroad to the points specified below (the principal markets and distributing points reached by it) was about as follows:

| | Gross tons. |
|---|---|
| Perth Amboy, N. J | 225,519 |
| Jersey City, N. J | 179,614 |
| Phillipsburg, N. J | 110,693 |
| Newark, N. J | 45,476 |
| Buffalo, N. Y | 216,630 |
| Total | 777,932 |

The total shipments during that month to all points on the Lehigh Railroad were about 1,200,000 gross tons, including company supply coal (about 66,951 gross tons).

17 IV.—The Combination, Conspiracy, and Monopoly.

Lehigh Railroad and its officers and directors above named and Lehigh Coal Co., Lehigh Coal Sales Co., Coxe Bros. & Co. (Inc.), Delaware, Susquehanna & Schuylkill Rail Road Co., and New York & Middle Coal Field Railroad & Coal Co. have been and are parties to a combination or conspiracy to restrain and monopolize, and have been and are attempting to monopolize and monopolizing the production, transportation, and sale, in interstate commerce, of anthracite coal from mines and lands located along the lines of Lehigh Railroad, by acquiring control of such mines and lands, by acquiring control of the output of independent producers, by exerting the power of Lehigh Railroad as a carrier to give undue preferences and advantages to the coal-producing and trading companies controlled by it and to discriminate against their competitors, and by other means, all hereinafter more particularly specified.

V.—Acts in Furtherance of the Conspiracy and Monopoly.

*1. Acquisitions of coal lands and businesses through Lehigh Coal Co.*

Prior to 1874 Lehigh Railroad had already acquired a considerable body of anthracite lands in Pennsylvania. In that year an article was inserted in the Pennsylvania constitution (Art. XVII, sec. 5) providing that—

"no incorporated company doing the business of a common
18 carrier shall, directly or indirectly, prosecute or engage in mining or manufacturing articles for transportation over its works."

Thereafter, notwithstanding this prohibition, Lehigh Railroad continued to acquire anthracite coal-bearing lands and to extend its control over the production, sale, and transportation of anthracite through the instrumentality of corporations, in theory separate from itself, but in fact completely dominated by it through stock ownership. The most important of these subsidiary corporations is defendant Lehigh Coal Co. Nearly all of the anthracite lands and stocks in other corporations holding anthracite lands from time to time acquired by Lehigh Railroad have been conveyed by it to Lehigh Coal Co., which also has acquired some anthracite properties directly from the owners, but not often or to any great extent.

Lehigh Coal Co. was formed November 13, 1875, by the merger of the Green Land Co. and the Luzerne Coal & Iron Co., two anthracite mining corporations, the capital stocks of which—$50,000 and $600,000, respectively—had all been acquired by Lehigh Railroad about the year 1872. Its capital stock was originally $650,000 and its holdings of anthracite lands were comparatively small. To-day its capital stock is $1,965,000, practically all of which is owned by Lehigh Railroad. Its funded debt is $20,296,000. Its assets exceed $35,000,000, book value. It holds about 54,229 acres of land in the

anthracite-producing regions, of which it is estimated about 28,723 acres contain anthracite.

19 Lehigh Coal Co. has acquired, among others, the following-described anthracite lands, collieries, and mining businesses:

(a) Hazleton Coal Co. was organized by defendant Lehigh Railroad Co. in 1895 to take title to anthracite coal lands in Hazleton and Beaver Meadow, Pa., acquired by Lehigh Railroad about 1868. In 1905 its entire capital stock—$665,000—was conveyed to Lehigh Coal Co. in exchange for stock in the latter of equal par value; its funded debt—$724,000, all guaranteed by Lehigh Railroad—was paid by Lehigh Coal Co.; its corporate existence was dissolved; and its anthracite lands, about 3,600 acres, were conveyed in fee to Lehigh Coal Co.

(b, c) Westwood Coal Co. held anthracite lands in Pennsylvania. Its entire capital stock—$165,000—was acquired by Lehigh Railroad prior to 1900. In 1904 it purchased the anthracite lands of the Coal Ridge Improvement & Coal Co. after the foreclosure of two mortgages securing bond issues of $384,500, all of which were held by Lehigh Railroad. In 1905 it was merged with Hazleton Coal Co., supra, the consolidation taking the name of Hazleton Coal Co.

(d) Locust Mountain Coal & Iron Co. had $550,000 of capital stock, a majority of which was acquired about 1869 by Lehigh Railroad, which thereafter from time to time added to its holdings, but as late as 1908 held only $330,900. In 1911 these shares were sold to Lehigh Coal Co. for cash at their par value. At the same time Lehigh

20 Coal Co. acquired the remainder of the capital stock—$219,000—and the Locust Mountain Coal & Iron Co. was dissolved, its assets, including 3,620 acres of anthracite coal lands held in fee, being conveyed to Lehigh Coal Co.

(e) Delano Land Co. was incorporated in 1872 at the instance of Lehigh Railroad to acquire a tract of anthracite lands known as the "Delano lands," comprising about 5,800 acres in Schuylkill County, on which ten collieries were then in active operation. The consideration paid was $2,000,000—$100,000 in cash and $1,900,000 in bonds of Delano Land Co., guaranteed, principal and interest, by Lehigh Railroad. In 1891 its entire capital stock—$350,000—was turned over to Lehigh Coal Co. for $100,000, and in 1900 it was merged with Lehigh Coal Co., which at the same time assumed that portion of its funded debt still outstanding—$1,104,000—and acquired its property, including 5,229 acres of land, about one-half of which was anthracite bearing, and upon which four collieries were being operated.

(f) The Humbolt Coal Co's. entire capital stock—100,000 shares—was sold to Lehigh Coal Co. by Lehigh Railroad in 1891 for $355,000. It has since been dissolved and its anthracite lands conveyed to Lehigh Coal Co.

(g) The entire capital stock of Wyoming Valley Coal Co.—par value $1,300,000—was acquired in or about 1885 by Lehigh Railroad, which transferred it in February, 1908, to Lehigh Coal Co. in consideration of $350,000 (par value) in Lehigh Coal Co. treas-

21 ury stock and the assumption by Lehigh Coal Co. of the

bonded debt of the Wyoming Valley Coal Co—$228,000. It owns about 1,657.3 acres of valuable anthracite lands in Luzerne County, Pa., held partly in fee and partly by perpetual lease. All these lands are now leased to Lehigh Coal Co., and while the corporate organization of the Wyoming Valley Coal Co. has been preserved, its operation and accounts have been merged with those of Lehigh Coal Co., of which it is a mere department.

(h) A. Pardee & Co. owned and operated in competition with Lehigh Coal Co. collieries Nos. 1, 3, 5, and 6 and also South Sugar Loaf colliery, at Hazleton, Pa. In 1894 these collieries were purchaser by Lehigh Railroad, and on November 1, 1894, transferred by it to Lehigh Coal Co.

(i) J. C. Haydon & Co. leased and operated in competition with Lehigh Coal Co. the South Spring Mountain collieries. In 1894 its lease and mining equipment were acquired by Lehigh Railroad, and during the same year were transferred to Lehigh Coal Co.

(j) Connell Coal Co. was a corporation holding about 444.6 acres of anthracite lands—132.5 acres in fee and 312.1 acres under lease—in Luzerne and Lackawanna Counties, Pa., from which it mined and sold anthracite in interstate commerce in competition with Lehigh Coal Co. Its production in 1901 was about 384,524 gross tons. In
that year Lehigh Railroad bought its entire capital stock—
22 $500,000 par value—for $900,000, and in 1905 sold the same to Lehigh Coal Co. for $412,000. July 1, 1905, it was dissolved, its lands being conveyed to Lehigh Coal Co.

(k) Seneca Coal Co. was a corporation holding about 1,308.3 acres of anthracite lands in Luzerne and Northumberland Counties, Pa., from which it mined and sold anthracite in interstate commerce in competition with Lehigh Coal Co. Its production in 1901 was about 358,626 gross tons. In that year Lehigh Railroad bought its entire capital stock for $1,000,000, and in 1905 sold the same to Lehigh Coal Co. for $773,000. July 1, 1905, it was dissolved, its lands being conveyed to Lehigh Coal Co.

(l) Mineral Spring Coal Co. was a corporation holding about 601.5 acres of anthracite lands in Luzerne County, Pa., from which it mined and sold anthracite in interstate commerce in competition with Lehigh Coal Co. January 27, 1902, Lehigh Railroad, already the owner of a majority of its stock, acquired the remainder—$104,100—and became its sole stockholder. In 1904 all of its stock—$300,000 par value—was conveyed to Lehigh Coal Co. in exchange for an equal amount (par value) of the stock of the latter. Thereafter it was dissolved and its lands conveyed to Lehigh Coal Co.

(m) Righter Coal Co. Thomas M. Righter & Co., a partnership, held about 200 acres of anthracite lands in Columbia and Northumberland Counties, Pa., from which it mined and sold anthra-
23 cite in interstate commerce in competition with Lehigh Coal Co. Its output in 1901—chiefly from the Mount Carmel colliery, at Mount Carmel—was about 188,606 gross tons. In 1902, at the instance of Lehigh Railroad, the partnership was changed

to a corporation—the Righter Coal Co.—with a capital stock of $300,000, all of which was sold to Lehigh Railroad, the latter giving in part payment its purchase money bonds for $270,000. In 1905 this stock was conveyed to Lehigh Coal Co. for certificates of indebtedness for $292,000. July 1, 1905, Righter Coal Co. was dissolved and its entire assets transferred to Lehigh Coal Co.

(n) Warrior Run Mining Co. was a corporation holding about 191.6 acres of anthracite lands in Luzerne County, Pa., from which it mined and sold anthracite in interstate commerce in competition with Lehigh Coal Co. Its output in 1904 was about 193,466 gross tons. In that year its entire capital stock was purchased by Lehigh Railroad for $1,000,000 and sold to Lehigh Coal Co. for certificates of indebtedness amounting to $998,000. July 1, 1905, it was dissolved and its entire assets conveyed to Lehigh Coal Co.

(o) Wyoming Coal & Land Co. was a corporation holding in fee about 134.5 acres of anthracite lands in Luzerne County, Pa., from which it mined and sold anthracite in interstate commerce in competition with Lehigh Coal Co. Its output in 1904 was about
24 76,449 gross tons and had at times been much larger. In 1905 its entire capital stock was acquired by Lehigh Railroad and turned over to Lehigh Coal Co. for certificates of indebtedness amounting to $130,000 and the payment by the latter company of the bonded indebtedness of Wyoming Coal & Land Co.—$60,000. July 1, 1905, it was dissolved and its entire assets conveyed to Lehigh Coal Co.

(p) Stevens Coal Co. leased from Lehigh Coal Co. lands at West Pittston, Pa., from which it mined and sold anthracite coal in interstate commerce in competition with Lehigh Coal Co. Its production normally exceeded 160,000 gross tons a year. March 15, 1910, Lehigh Coal Co. purchased from Stevens Coal Co. the surrender of its lease and at the same time purchased its breaker, colliery improvements, mining cars, etc. The consideration given was $20,000 in cash, the assumption of the bonded indebtedness—$61,000 in 6 per cent bonds—of Stevens Coal Co., and the promise of Lehigh Coal Co. to pay a royalty upon coal thereafter mined from the lands.

(q) Mill Creek Coal Co. was actively engaged in mining and selling anthracite coal at the Buck Mountain and Vulcan collieries in Schuylkill County, Pa., on lands leased from Lehigh Coal Co. Its output in normal years was between 450,000 and 500,000 tons, most of which was sold in interstate commerce in competition with Lehigh Coal Co. On January 1, 1910, its lease expired and was not renewed.
Lehigh Coal Co. having adopted the policy of refusing to
25 renew leases to its tenant operators, and wherever possible of purchasing the surrender of such leases. Lehigh Coal Co. purchased the machinery and plant of Mill Creek Coal Co. and is now operating the aforesaid collieries.

(r) Lentz & Co. since 1884 had operated anthracite mines on lands leased from Lehigh Coal Co. at Park Place, Delano, and Mahanoy

Townships, Pa. In normal years its production was about 400,000 gross tons. In 1910 Lehigh Coal Co. procured the surrender of its lease and at the same time purchased its breakers, machinery, and running supplies, payment being made partly in cash and $1,000,000 in 5 per cent bonds.

(s) The Everhart lands, so-called, are very valuable anthracite lands in Luzerne and Lackawanna Counties, Pa. For some time past Lehigh Coal Co. has owned a half interest in these lands and has mined them under lease. In 1911 it purchased from the heirs of John T. Everhart an additional interest, approximating four-tenths of the whole, leaving about a one-tenth interest outstanding, the price being paid $300,000 in 5 per cent purchase bonds and the residue in cash.

(t) Austin Coal Co. held and mined anthracite lands under lease from Lehigh Coal Co. Its output was irregular, but frequently exceeded 60,000 tons a year. In 1911 its entire capital stock was purchased by Lehigh Coal Co. and thereafter its lease was surrendered and the corporation allowed to go out of existence by the expiration of its charter.

26 Defendant Lehigh Coal Co. has also acquired coal lands from other persons and corporations, among them the following, in about the amounts stated:

| Transferror or lessor. | Acquired in fee. | Acquired by lease. | County in which located. | Date acquired. |
|---|---|---|---|---|
| | *Acres.* | *Acres.* | | |
| Girard estate | | 220.8 | Columbia | Jan. 17, 1899 |
| Girard estate | | 100.0 | Schuylkill | Do. |
| John Otto | 27.2 | | do | Nov. —, 1905 |
| Polen | | .6 | Luzerne | May 3, 1899 |
| Delaware, Lackawanna & Western R. R | | 79.0 | do | Feb. 7, 1901 |
| Val. Sturmer | | 1.9 | do | July 1, 1901 |
| Marg. Ferguson | | 2.4 | do | July 22, 1901 |
| East Sugar Loaf Co | | 329.0 | do | Jan. 1, 1903 |
| S. & G. Shoemaker | | 4.6 | do | June 12, 1903 |
| J. W. Shoemaker | | 1.4 | do | July 24, 1903 |
| Miner & Thomas | *66.0 | | do | Sept. 24, 1903 |
| John Mitchell (Henry) | *33.2 | | do | Sept. 29, 1903 |
| Mary Derr | | 1.8 | do | Dec. 28, 1903 |
| Wilcox & Stark | *10.9 | | do | Dec. 9, 1904 |
| Wilkes-Barre Gas Co | | 4.5 | do | Dec. 15, 1904 |
| Pennsylvania Coal Co | | 349.5 | do | June 6, 1905 |
| Forty Fort Cemetery Association | | 6.7 | do | Dec. 12, 1905 |
| Blackman | | .4 | do | Aug. 10, 1905 |
| J. H. Reynolds | | 7.0 | do | Mar. 1, 1906 |
| Sperling | | 5.2 | do | June 1, 1907 |
| P. & N. Y. C. & R. R. Co | | 2.2 | do | Dec. 12, 1907 |
| P. & N. Y. C. & R. R. Co | | 14.0 | do | Do. |
| Walker & Merriman | | 100.0 | do | Apr. 6, 1908 |
| Lawrence Myers estate | 32.9 | | do | June 18, 1908 |
| Total | 170.2 | 1,231.0 | | |

* Previously held by lease.

The aforesaid acquisitions and transactions on the part of Lehigh Railroad and Lehigh Coal Co. were not made or entered into in the normal course of business development, but for the purpose and with the effect of suppressing competition and securing to Lehigh Railroad a monopoly of the production of anthracite coal from
27 mines and lands tributary to its lines and of the transportation and sale thereof amongst the States.

*2. Acquisitions of capital stock of New York & Middle Coal Field Railroad & Coal Co.*

New York & Middle Coal Field Railroad & Coal Co. owns in fee about 1,211 acres of anthracite lands in Columbia County, Pa. Its total capital stock is $1,500,000, of which defendant Lehigh Railroad owns a large majority, to wit, about $1,216,325. Control of the company was acquired about the year 1872. The majority then secured has been increased by subsequent purchases, shares having a par value of over $150,000 having been purchased since 1903. All of its lands are now leased to others, a considerable portion being leased and mined by defendant Lehigh Coal Co. Its sole business is the collection of royalties for coal mined by its lessees.

*3. Defeat of projected competitive railroad.*

In 1898 a group of independent operators, among-t them Simpson & Watkins, a firm controlling the stock of seven corporations owning eight collieries with an annual output in excess of 1,300,000 tons, having long protested unavailingly against the extortionate and discriminatory freight rates exacted of them, resolved to promote the construction of a new railroad route from the anthracite fields to tidewater. To this end they incorporated in Pennsylvania the New York, Wyoming & Western Railroad Co., subscribed to its
28 capital stock, secured pledges of tonnage, located a part of the line, purchased a considerable quantity of steel rails, and made other preparations.

If completed, this route would have been a competitor of the existing railroads, including the defendant Lehigh Railroad, and also would have enabled many independent operators to sell their output in the markets in free competition with the defendant Lehigh Coal Co.

For the purpose of preventing the threatened competition, and in violation of the aforesaid act of July 2, 1890, as recently adjudged by the Supreme Court of the United States (U. S. *v.* Reading Co. et al., 226 U. S., 324), the defendant Lehigh Railroad, and Reading Company, the Central Railroad Company of New Jersey, the Delaware, Lackawanna & Western Railroad Company, Erie Railroad Company, and the New York, Susquehanna & Western Railroad Company in 1899 contracted in combination with each other to purchase, respectively, 22.88 per cent, 29.96 per cent, 17.12 per cent,

19.52 per cent, 5.84 per cent, and 4.68 per cent—in all, 100 per cent—of the capital stock of the Temple Iron Company—a corporation with little business but with power to hold the stock of other corporations—which thereupon, at the direction and with the credit of defendant Lehigh Railroad and its confederates above named, acquired from Simpson & Watkins the shares of the several corporations owning the before-mentioned eight collieries, thereby de-
29 taching them from the support of the projected competitive railroad and causing its abandonment.

Defendant Lehigh Railroad and its confederates have continued to hold the stock of the Temple Iron Co., and its business and affairs have continued under the management of officers and directors chosen by them, notwithstanding that by the before-mentioned decision of the Supreme Court it was adjudged that through their acquisition and ownership of such stock defendant Lehigh Railroad and its confederates were joined together in an unlawful combination and were prohibited from voting or receiving any dividends in respect of such stock and from exercising any control over the Temple Iron Co.

*4. Acquisition of capital stock of Coxe Bros. & Co., Inc.*

Coxe Bros. & Co., Inc., in 1905 was the largest independent producer of anthracite along the Lehigh Railroad. It held in fee or by long-term leases over 5,300 acres of anthracite-bearing lands in Luzerne, Carbon, Columbia, and Schuylkill Counties, Pa. It owned and operated the following collieries: Drifton, Eckley, Eckley Washery, Stockton, Beaver Meadow, Derringer, Oneida, and Tomhicken. It purchased the output of the Wolf colliery. Prior to 1905 it normally produced and sold in competition with Lehigh Coal Co., principally in interstate commerce, over 1,250,000 gross tons a year. Recently its annual production has exceeded 1,400,000 gross tons.
30 It now holds about 36,490 acres of land in the anthracite-producing regions, of which it is estimated about 7,169 acres contain anthracite. Its collieries are located along the Delaware, Susquehanna & Schuylkill Rail Road, through the connections of which it was able to send its output to market over other railroads than the Lehigh—in particular the Pennsylvania Railroad, the Philadelphia & Reading Railway, and the Central of New Jersey—if it chose to do so.

November 1, 1905, Lehigh Railroad purchased from the Coxe estate for $17,440,000 the entire capital stock of Coxe Bros. & Co., Inc. This purchase was not made in the course of normal business development, but in furtherance of the purpose of Lehigh Railroad to monopolize the production, transportation, and sale of anthracite from mines along its lines.

Since 1905 the business of Coxe Bros. & Co., Inc., has been carried on by officers and directors who are also officers and directors of Lehigh Coal Co. Its entire output has been sold at the mines to Lehigh Coal Co., the price (except for coal retailed locally) being

65 per cent of the current average prices at tidewater for prepared sizes and a somewhat smaller percentage for the smaller sizes. Upon the very small proportion of the output which is retailed locally Coxe Bros. & Co., Inc., is paid the actual retail price received by Lehigh Coal Co.

The price—$17,440,000—paid for the stock of Coxe Bros. & Co., Inc., was much in excess of its true value. The par value of
31 the stock was and is $2,910,150. The balance sheet of the company shows its property and plant to be worth $2,910,150 and its total assets to be approximately $3,400,000. In the following columns interest upon the price paid at 4 per cent is contrasted with the dividends received:

| Year ending June 30— | Dividends paid by Coxe Bros. & Co. (Inc.). | Interest on $17,440,000 at 4 per cent. |
|---|---|---|
| 1906 | $531,221.91 | $697,600.00 |
| 1907 | 447,254.48 | 697,600.00 |
| 1908 | 391,805.60 | 697,600.00 |
| 1909 | 284,870.46 | 697,600.00 |
| 1910 | 338,052.93 | 697,600.00 |
| 1911 | 405,747.10 | 697,600.00 |
| 1912 | 519,296.63 | 697,600.00 |
| 1913 | 385,561.49 | 697,600.00 |
| | $3,302,999.90 | 5,569,600.00 |
| | | 3,302,999.90 |
| | | $2,277,800.10 |

If to this loss of $2,277,800.10 there be added the $6,000,000 which has been charged off the value of the stock of Coxe Bros. & Co., Inc., upon the books of Lehigh Railroad because of alleged depreciation of the property since its acquisition through taking out the coal, the total loss reaches the great sum of $8,277,800.10.

*5. Acquisition of capital stock of Delaware, Susquehanna and Schuylkill Rail Road Co.*

Delaware, Susquehanna & Schuylkill Rail Road Co. is a gathering line about 50 miles long connecting with Lehigh Railroad and also with the lines of the Pennsylvania Railroad Co., the Philadelphia & Reading Railway Co., and the Central Railroad Co.
32 of New Jersey. In 1905 it served the mines of Coxe Bros. & Co., Inc., which then produced over 1,250,000 gross tons a year, and also served other independent anthracite mines, to wit, the Lattimer colliery, owned by Pardee Bros. & Co., which produced about 508,000 gross tons in 1905 and over 600,000 gross tons in recent years, and the Harwood colliery, owned by the Harwood Coal Co., which produced over 200,000 gross tons annually. By installing short track connections it might have served the Highland collieries,

owned by G. B. Markle & Co., with an annual output exceeding 500,000 gross tons, the Jeddo colliery, also owned by G. B. Markle & Co., with an annual output of over 400,000 gross tons, and the Hazlebrook colliery, owned by J. S. Wentz & Co., with an annual output of approximately 135,000 gross tons. Thus the Delaware, Susquehanna & Schuylkill Rail Road connected or easily could connect about 15 collieries (including those of Coxe Bros. & Co., Inc.), having a total annual output exceeding 3,000,000 gross tons, with at least 4 different trunk lines, among them Lehigh Railroad, and consequently was an important factor in maintaining competition between the latter and other railroads in the transportation of anthracite coal.

In 1905 Lehigh Railroad purchased from the Coxe estate the entire capital stock of the Delaware, Susquehanna & Schuylkill Rail Road Co., and since then has operated it as a mere department of Lehigh Railroad through officers and directors who are also officers and directors of Lehigh Railroad. This acquisition was not a
33 step in the course of normal business development, but in pursuance of the purpose of Lehigh Railroad to monopolize the production, transportation, and sale of anthracite coal along its lines.

*C. Purchases of output of independent producers.*

In further pursuance of its purpose to monopolize the production, transportation, and sale, in interstate commerce, of anthracite coal from mines along its lines, defendant Lehigh Railroad has caused defendant Lehigh Coal Co. to enter into long-term contracts with independent operators for the purchase of their entire output. Since an early time the prices paid for coal so purchased have been based upon a percentage of the current average selling prices at tidewater. Between 1880 and 1890, 50 per cent was paid. About 1890 competition forced the price up to 55 per cent. In 1892 Lehigh Railroad or Lehigh Coal Co. entered into 7-year contracts upon a 60 per cent basis for prepared sizes and a somewhat lower percentage for smaller sizes. Many such contracts were made, the purchases of Lehigh Coal Co. from 1892 to 1899 exceeding 3,000,000 tons a year.

The principal market for the coal so purchased was New York. On coal purchased under the 60 per cent contracts and sold in New York, Lehigh Coal Co., out of the 40 per cent of the selling price retained by it, could not pay the expense of selling, the wastage in transit, and the published freight rates, nor even the published freight rates alone; and a regular practice developed by which
34 Lehigh Railroad paid to Lehigh Coal Co. as a rebate the difference (often substantial) between the published rates to tidewater and 40 per cent of the current tidewater price of coal. Lehigh Coal Co. lost money in respect of coal purchased under these 60 per cent contracts during every year they were in effect.

The 60 per cent contracts terminated in 1899. In August, 1901, at a meeting between representatives of the independent operators and of the railroads and railroad coal companies, a new form of purchase contract was agreed upon, to become effective retroactively from November 1, 1900, advancing the proportion of the tidewater price paid to independent operators to 65 per cent for prepared sizes, with a corresponding advance in the prices for smaller sizes.

The new contracts further provided (1) that the independent operator must sell to the railroad or railroad company his entire output of coal for the life of his mines, and (2) that "shipments were to be made from time to time as called for by the buyer," the latter "to take the coal in as nearly equal daily or weekly quantities as in its judgment the requirements of the market would permit." The first clause was insisted upon by the combined railroads and railroad coal companies in order to withdraw from competition for all time the output of the independent operators. The purpose of the second clause was to give the railroads or railroad coal companies power to restrict the production of independent operators when necessary to maintain prices, and it has been used to that end by defendant Lehigh Coal Co.

35 Defendant Lehigh Coal Co. entered into 65 per cent contracts with the following operators tributary to defendant Lehigh Railroad, among others:

| Name of producer | Date of contract | Production in gross tons | Year |
|---|---|---|---|
| Austin Coal Co. | Mar. 26, 1901 | 19,892 | 1901 |
| Midvalley Coal Co. | June 24, 1901 | 666,629 | 1901 |
| Lentz & Co. | do | 366,208 | 1901 |
| A. Pardee & Co. | July 9, 1901 | 416,283 | 1901 |
| Temple Iron Co. | Sept. 20, 1901 | | |
| Forty Fort Colliery | do | 606,530 | 1911 |
| Mount Lookout Colliery | do | 346,422 | 1911 |
| Babylon Colliery | do | | |
| Rock Coal Co. | May 1, 1902 | 108,428 | 1902 |
| Pardee Bros. & Co.[a] | Mar. 20, 1906 | 487,277 | 1906 |
| Harwood Coal Co.[a] | do | 208,363 | 1907 |
| Evans Colliery Co. | Apr. 3, 1908 | | |
| Wm. H. McCachey | May 23, 1908 | | |
| A. P. Wolf, purchased through Coxe Bros. & Co., Inc. | | | |
| | | 3,125,230 | |

[a] Term not for life of mines, but until July 1, 1930.

In respect of coal purchased under these contracts, Lehigh Coal Co. continued to lose money. Conversely, it was more profitable for the operator to sell his coal to Lehigh Coal Co. under these contracts than to pay the freight and market it himself. Taking the month of January, 1901, when (as usual in winter) high prices

prevailed, and regarding only the stove size (which of all sizes commanded the highest price), the result on shipments from the Wyoming region, for example, was substantially as follows:

| | |
|---|---|
| Average f. o. b. price received at Perth Amboy by Lehigh Coal Co. | $4.36 |
| Cost price (65 per cent of general average tidewater price) | 2.88 |
| Amount left for freight, expense of selling, wastage, etc | 1.48 |
| Freight rate alone | 1.35 |
| Approximate expense of selling | .10 |
| Approximate wastage | .05 |
| Loss per ton | .22 |

36 In the case of the other sizes the tidewater prices were lower and the loss generally greater.

Although since 1906 higher prices have prevailed at tidewater, nevertheless during most years the net proceeds received by Lehigh Coal Co. from that portion of its purchased coal which it shipped to New York Harbor (the principal market) were insufficient to pay the contract price, the expense of selling, the wastage in transit, and the freight rate. There was a loss on some sizes all of the year, and on the prepared sizes during the summer months (April to August, inclusive).

The losses by Lehigh Coal Co. were recouped, as will be shown hereafter, by large advances made to it by defendant Lehigh Railroad.

The 65 per cent contracts with Lentz & Co. and Austin Coal Co. continued in effect until the properties of those companies were acquired by Lehigh Coal Co. in 1911. On May 26, 1913, those of such contracts still in effect were adjudged in restraint of trade and annulled by a decree of the United States District Court for the Eastern District of Pennsylvania pursuant to the decision of the Supreme Court of the United States in the case of United States *v.* Reading Co. (226 U. S., 324). Defendant Lehigh Coal Sales Co. continues, however, to purchase coal from substantially the same independent operators.

*7. Control by Lehigh Coal Co. of sale of output of the G. B. Markle Co.*

The G. B. Markle Co. produces a superior quality of anthracite coal from lands located near Hazleton along the Lehigh Rail-
37 road. This coal commands a higher market price than ordinary anthracite (from 10 to 30 cents a ton more) and at the same time is more easily produced by reason of natural drainage at the mines. Its annual output normally exceeds 1,000,000 gross tons (being at times considerably larger), and is principally sold in interstate commerce.

On December 30, 1889, in further pursuance of its purpose to monopolize the transportation and sale of anthracite coal produced

along its line, defendant Lehigh Railroad caused defendant Lehigh Coal Co. to enter into a contract with G. B. Markle & Co. (the partnership to which the G. B. Markle Co. is the incorporated successor) by which the latter agreed to "consign for sale to the party of the second part," Lehigh Coal Co. (upon the terms hereinafter stated), "all the coal mined and prepared for market by the party of the first part [G. B. Markle & Co.] from the lands aforesaid." This contract is still in force, and a copy is hereto annexed, marked "Exhibit No. 1." Its effect has been, as intended, to make defendant Lehigh Coal Co. the exclusive selling agent for the coal produced by the G. B. Markle Co. and to secure the transportation thereof almost exclusively to Lehigh Railroad, thereby preventing competition.

*8. Rebates and undue preferences granted by Lehigh Railroad to Lehigh Coal Co. and other subsidiary coal companies.*

(a) Lehigh Coal Co. has never paid a dividend. Much of the time it has lost money. Most of the capital required in carrying on its business has been furnished by Lehigh Railroad. The
38 annual report of Lehigh Railroad for 1901 (p. 25) describes the situation as it existed for many years:

"Under the existing arrangements the Lehigh Valley Coal Co. is compelled to depend upon the railroad company for working capital to carry on its operations."

In many instances these advances were not regarded as debts, and were never repaid, but merely charged to the railroad's profit and loss account or income account. Where, however, advances were particularly large (as for the acquisition of coal lands), they were treated as debts, though usually no interest was paid upon them. Regarding this practice the Interstate Commerce Commission made the following finding in Coxe Bros. & Co. *v.* Lehigh Valley R. Co. (4 I. C. C., 535), decided March 13, 1891:

"The railroad company advances to the coal company nearly $7,000,000 with which to transact its business, and for the use of which the railroad company receives no advantage other than such advantages as it gets from carrying the freight of the coal company. The value of the annual use of such advances at 5 per cent interest amounts to $350,000, nearly. This sum exceeds 10 cents per ton on all the coal shipped by the coal company over the lines of the railroad company, and is to that extent an undue preference given to said coal company, to the disadvantage of Coxe Bros & Co. and other shippers who receive no advance. The advantage of like advances if made to complainants, estimated on their annual shipments, would exceed $100,000."

39 The annual report of Lehigh Railroad for 1892 (p. 12) states that:

"The total amount advanced at different times by that company [Lehigh Railroad] to the [Lehigh] Coal Co. for lands, improve-

ments, advanced royalties, etc., exceeds $15,500,000, which has been reduced from time to time by the operations of the coal company to about $11,500,000."

October 1, 1892, this accumulated indebtedness was partly funded, as follows: Lehigh Coal Co. issued $12,000,000 (par value) of 5 per cent bonds, guaranteed as to both principal and interest by Lehigh Railroad. $10,500,000 of these bonds were accepted by Lehigh Railroad as payment pro tanto of its debt. Subsequently most of the $12,000,000 issue was disposed of to the public.

For many years, however, the railroad was obliged as guarantor to pay the interest on these bonds, the earnings of the coal company being insufficient to do so. Specifically, the railroad paid such interest in the following years and in about the following amounts:

| Year ending June 30— | Interest paid by Lehigh Railroad. |
|---|---|
| 1895 | $299,900 |
| 1896 | 594,225 |
| 1897 | 589,425 |
| 1898 | 596,900 |
| 1899 | 570,100 |
| 1900 | 577,975 |
| 1901 | 574,850 |
| 1902 | 331,554 |
| Total | 4,134,029 |

40 Subsequent to 1892 Lehigh Railroad continued to advance money to Lehigh Coal Co. on open account. Among others, the following advances were made by Lehigh Railroad to Lehigh Coal Co. during the years stated (the figures given include interest payments tabulated above):

| Year ending June 30— | Amounts advanced by Lehigh Railroad. |
|---|---|
| 1893 | $1,027,287.46 |
| 1894 | 1,338,594.25 |
| 1895 | 1,465,412.42 |
| 1896 | 2,697,454.90 |
| 1897 | 2,470,000.00 |
| 1898 | 1,750,000.00 |
| 1899 | 1,250,000.00 |
| 1900 | 900,000.00 |
| 1901 | 2,200,000.00 |
| 1902 | 500,000.00 |
| 1903 | 250,000.00 |
| 1904 | 550,000.00 |
| 1905 | 2,180,000.00 |
| Total | 18,578,749.03 |

During the corresponding years Lehigh Coal Co. repaid to Lehigh Railroad about the following sums:

| Year ending June 30— | Amounts repaid by Lehigh Coal Co. |
|---|---|
| 1893 | $557,076.46 |
| 1894 | 450,000.00 |
| 1895 | |
| 1896 | 246,953.33 |
| 1897 | 970,000.00 |
| 1898 | 399,914.87 |
| 1899 | 428,200.00 |
| 1900 | 1,170,950.00 |
| 1901 | 374,300.00 |
| 1902 | 1,587,150.00 |
| 1903 | |
| 1904 | 550,000.00 |
| 1905 | 180,000.00 |
| Total | 6,914,544.66 |

41 The difference between advances and repayments—$11,664,204.37—was treated as follows:

1st. Over $5,750,000 was charged to the railroad's income account or profit and loss account, no repayment being required or expected. Among others, the following amounts were so charged in the specified years:

| Year ending June 30— | Amounts charged off by Lehigh Railroad. | Account to which charged. |
|---|---|---|
| 1895 | $596,625.00 | Profit and loss. |
| 1896 | 590,650.00 | Do. |
| 1897 | 245,458.31 | Do. |
| Do | 341,516.67 | Income account. |
| 1898 | 833,350.00 | Do. |
| 1899 | 5,725.00 | Profit and loss. |
| Do | 827,525.00 | Income account. |
| 1900 | 825,700.00 | Do. |
| 1901 | 825,700.00 | Do. |
| 1902 | 412,850.00 | Do. |
| 1903 | 250,000.00 | Do. |
| | 5,755,099.98 | |

2nd. Five million dollars was funded by an issue of $5,000,000 5 per cent gold bonds, dated April 30, 1897, all of which were turned over to Lehigh Railroad, which held them as long as they remained outstanding. In effect they amounted merely to a change in the form of the debt. On June 30, 1905, they were exchanged by Lehigh Railroad for "certificates of indebtedness" of equal par value issued by Lehigh Coal Co. as part of a transaction to be related hereinafter.

During the period—over 8 years—that the last-mentioned
42 bonds were outstanding Lehigh Railroad remitted to Lehigh Coal Co. interest payments thereon amounting to not less than $650,000, as follows:

| Year ending June 30— | Interest paid. | Interest due at 5 per cent. |
|---|---|---|
| 1897 [a] | None. | $41,666.66 |
| 1898 | $125,000.00 | 250,000.00 |
| 1899 | 250,000.00 | 250,000.00 |
| 1900 | 250,000.00 | 250,000.00 |
| 1901 | 250,000.00 | 250,000.00 |
| 1902 | 250,000.00 | 250,000.00 |
| 1903 | 250,000.00 | 250,000.00 |
| 1904 | None. | 250,000.00 |
| 1905 | None. | 250,000.00 |
| | | 2,041,666.66 |
| | 1,375,000.00 | 1,375,000.00 |
| Interest remitted | | 666,666.66 |

[a] For two months from Apr. 30 to June 30.

Besides remitting the interest on these $5,000,000 of bonds, Lehigh Railroad likewise charged no interest upon the balance due it by Lehigh Coal Co. on open account in respect of the above-mentioned advances from 1893 and 1905. The book value of that balance averaged not less than $1,500,000 every year from 1893 to 1901. Five per cent simple interest on that sum for that period—8 years—is $600,000, and does not exceed the fair value of the use of the money.

Lehigh Railroad has also made other advances to Lehigh Coal Co. since 1892, not on open account but in return for bond issues or "Certificates of indebtedness." November 21, 1902, Lehigh Coal Co.
43 issued $2,000,000 of so-called "5–10 year 5 per cent gold bonds." These bonds were all purchased by Lehigh Railroad and retained by it until June 30, 1905, when they were surrendered to Lehigh Coal Co. in exchange for certificates of indebtedness as related below.

In 1905 Lehigh Coal Co. needed large sums of money to pay off the bonds of Hazleton Coal Co. and of Wyoming Coal & Land Co., which it had assumed. It desired also to purchase from Lehigh Railroad the stocks of certain other coal companies. It further desired to retire the $5,000,000 of 5 per cent gold bonds (1897 issue) and the $2,000,000 of 5–10 year 5 per cent gold bonds (1902 issue), all of which were held by Lehigh Railroad. These three purposes it accomplished by issuing to Lehigh Railroad its "certificates of indebtedness" for $10,537,000. Lehigh Railroad thereupon advanced the necessary money, conveyed to Lehigh Coal Co. the stocks

in the other coal companies, and surrendered for cancellation the two bond issues, the transaction in detail being as follows:

| Amounts of certificates of indebtedness. | Consideration for issue. |
|---|---|
| $412,000. | Capital stock and property of Connell Coal Co. |
| 773,000. | Capital stock and property of Seneca Coal Co. |
| 292,000. | Capital stock and property of Righter Coal Co. |
| 908,000. | Capital stock of Warriour Run Mining Co. |
| 130,000. | Capital stock and property of Wyoming Coal & Land Co. |
| 724,000. | Hazleton Coal Co. bonds canceled. |
| 5,000,000. | L. V. C. Co. 5 per cent bonds canceled. |
| 2,050,000. | L. V. C. Co. 5-10-year bonds canceled. |
| 60,000. | Wyoming Coal & Land Co. first mortgage bonds paid off. |
| 10,439,000 | |
| 98,000. | Discount on $1,400,000 first mortgage bonds sold by L. V. R. R. Co., due to reduction of interest from 5 per cent to 4 per cent. |
| 10,537,000 | |

44 These certificates of indebtedness contained no specific reference to payment of interest. It was not intended that any should be paid. None was in fact paid upon them from their date of issue, July 19, 1905, until 1912. On June 8, 1911, in the case of Meeker & Co. *v.* Lehigh Valley R. R. Co. (21 I. C. C. 129, 161), the Interstate Commerce Commission thus characterized this transaction:

"As noted, the Lehigh Valley Railroad Co. carries amongst its assets $10,537,000 noninterest-bearing certificates of indebtedness of the Lehigh Valley Coal Co. At 5 per cent per annum the interest on these certificates would be $526,850. *The latter sum is in all substantial respects a rebate to the Lehigh Valley Coal Co.* The proportion of the total tonnage from the anthracite field shipped by the Lehigh Coal Co. does not appear, but it is of record that it ships about 95 per cent of the coal to tidewater. If its proportion of the total traffic is the same as that to tidewater, its tonnage for 1910 was in the neighborhood of 19,500,000 tons; and the net result of the transportation as between it and its competitors was the same as if it had had its coal transported for 5 cents per ton less than the independent dealers." (Italics ours.)

As a result of this finding Lehigh Coal Co. on March 1, 1912, paid to Lehigh Railroad $2,809,666 as interest at 4 per cent upon the $10,537,000 certificates of indebtedness for the period from June 30, 1905, to March 1, 1912. At the same time the whole
45 issue of certificates of indebtedness ($10,537,000) was retired, payment being made partly in cash and partly by a new issue of bonds ($7,500,000 par value) called "Lehigh Valley Coal Co. 50-year 4 per cent debentures."

This was not a bona fide transaction between independent corporations, but a cover for a rebate by the railroad to the coal company.

The interest rate of 4 per cent paid upon these certificates of indebtedness was unreasonably low, considering that the loan was unsecured and the borrower a mining corporation. Again, only simple interest was charged. Even assuming that interest had been intended from the beginning, this settlement permitted the retention and use of the accrued interest, amounting to over $420,000 a year, for nothing. Compound interest at 5 per cent for the period in question—June 30, 1905, to March 1, 1912—would have been $4,054,274, which exceeds by $1,475,394 the interest actually paid—$2,578,880. Furthermore, the new bond issue—$7,500,000—was all retained by the railroad and also bears interest at 4 per cent, which is an unreasonably low rate for such a debt. In every instance where Lehigh Coal Co. has issued bonds intended to be disposed of to persons other than Lehigh Railroad and its affiliated companies the interest rate has been 5 per cent or higher. The difference between 4 per cent and 5 per cent interest on $7,500,000 for two years—March 1, 1912, to March 1, 1914—would amount to $150,000. Finally, even for these
46 4 per cent bonds Lehigh Railroad paid a premium of $165,910.11. This was a mere gift to Lehigh Coal Co. and was immediately written off to profit and loss, leaving the value of the bonds on the books of the railroad at $7,500,000.

The following is a summary of the approximate money value of the preferences given to Lehigh Coal Co. by Lehigh Railroad since 1892 as set forth above:

| | |
|---|---|
| Advances charged to income account or to profit and loss | $5,755,099 |
| Remitted interest on 1897 bond issue | 666,666 |
| Use without interest of balance due on open account | 600,000 |
| Difference between interest actually paid (simple interest at 4 per cent) on certificates of indebtedness and compound interest at 5 per cent | 1,475,394 |
| Difference between interest actually paid (4 per cent) upon 1912 bond issue and interest at 5 per cent | 150,000 |
| Premium paid on 1912 bond issue | 165,910 |
| Total | 8,813,069 |

(b) Lehigh Railroad has also made advances without interest to other subsidiary coal companies beside Lehigh Coal Co. The book value of the balance due Lehigh Railroad in respect of such advances was as follows for the years named:

| | |
|---|---|
| 1894 | $311,269.07 |
| 1895 | 275,584.44 |
| 1896 | 250,724.48 |
| 1897 | 232,615.85 |
| 1898 | 233,287.91 |
| 1899 | 199,042.62 |
| 1900 | 145,802.73 |
| 1901 | 366,687.45 |
| 1902 * | 287,438.93 |

* Year ending June 30.

Lehigh Railroad has also guaranteed the bonds of other subsidiary coal companies besides Lehigh Coal Co., among them the following

| 47 Name of company. | Amount of bond issue. | Date of guaranty. | Date liability ended. |
|---|---|---|---|
| Delano Land Co. | $1,900,000 | 1872 | (b) |
| Hazleton Coal Co. | 2,000,000 | 1895 | 1905 |
| Temple Iron Co. | a 800,800 | 1899 | (b) |
| Wyoming Coal & Land Co. | 60,000 | 1905 | 1905 |

a 22.88 per cent of $3,500,000. b Not ended.

At times Lehigh Railroad has been obliged as guarantor to pay the interest on some of these bonds, specifically the bonds of Temple Iron Co. in 1899, 1900, and 1902. It has also remitted the interest accruing upon the bonds of Hazleton Coal Co. held by itself, specifically in 1903 and in 1904, during which years its holdings exceeded $1,800,000, on which interest of over $90,000 accrued yearly.

(c) Lehigh Railroad has also virtually given money to the Coal Co. by purchasing the stocks of corporations owning coal properties and reselling them to Lehigh Coal Co. at prices much lower than those paid by the railroad. This was done in the following instances among others:

| Name of company whose stock was acquired. | Year acquired by Lehigh R. R. | Price paid by Lehigh R. R. | Price at which sold to Lehigh Coal Co. | Year sold to Lehigh Coal Co. |
|---|---|---|---|---|
| Connell Coal Co. | 1901 | $900,000 | $412,000 | 1905 |
| Seneca Coal Co. | 1901 | 1,000,000 | 773,000 | 1905 |
| | | 1,900,000 | 1,185,000 | |
| | | 1,185,000 | | |
| Difference | | 715,000 | | |

48 (d) Lehigh Railroad has also discriminated in favor of Lehigh Coal Co. in many other ways, particularly by leasing to it expensive storage plants, trestles, coal yards, etc., at much less than their true rental value. Among others the following such properties have been so leased:

(1) The mechanical storage plant at South Plainfield, N. J., capacity about 300,000 tons, together with 26.13 acres of land. The total value of the property is over $225,000. For years prior to March 1, 1912, it was leased to Lehigh Coal Co. at an annual rental of $7,500. Since March 1, 1912, it has been leased to Lehigh Coal Co. at an annual rental of $10,247, and by it subleased to Lehigh Coal Sales Co.

(2) The coal trestle at Pioneer Street, Newark, N. J., containing 152 pockets with a total capacity of about 12,000 tons and additional

storage capacity under the trestle for 3,000 tons more, together with 2½ acres of land. The assessed valuation of the land is $12,500 and of the trestle $75,000. The taxes upon this property are about $1,700 annually. For years prior to March 1, 1912, it was leased to Lehigh Coal Co. at an annual rental of $6,000. Since March 1, 1912, it has been leased to Lehigh Coal Co. at an annual rental of $9,055 and taxes, and by it subleased to Lehigh Coal Sales Co.

(3) The coal trestle at Mount Hope Avenue, Rochester, N. Y., containing 49 pockets with a total capacity of about 4,500
49 tons, and worth over $75,000. For years prior to March 1, 1912, this property was leased to Lehigh Coal Co. at an annual rental of $1,600. Since March 1, 1912, it has been leased to Lehigh Coal Co. at an annual rental of $3,604 and taxes, and by it subleased to Lehigh Coal Sales Co.

(4) The coal trestle at Grand Street, Jersey City, N. J., containing 26 pockets, with a total capacity of about 4,000 tons, together with over 60,000 square feet of yard. The total value of this property exceeds $54,000. Taxes upon the trestle alone are annually about $480. Prior to March 1, 1912, it was leased to Lehigh Coal Co. at an annual rental of $1,600. Since March 1, 1912, it has been leased to Lehigh Coal Co. at an annual rental of $2,873 and taxes, and by it subleased to Lehigh Coal Sales Co.

(e) The aforesaid advances and accommodations given by Lehigh Railroad to its affiliated coal producing and trading companies constitute unlawful discriminations against other producers and shippers along the line of Lehigh Railroad and increase the power of such affiliated coal companies over their competitors and promote and secure the monopolization of the ownership, production, and sale of anthracite effected through them by Lehigh Railroad.

*9. Leases of coal lands by Lehigh Coal Co. on condition that output be shipped over Lehigh Railroad.*

Since prior to 1890 it has been the practice of Lehigh Coal Co. and other subsidiary companies of Lehigh Railroad to lease
50 anthracite coal-bearing lands to independent operators. At times thousands of acres have been so leased—over 8,000 acres in the year 1907. Many of these leases contain covenants that all coal mined from the leased premises shall be shipped in such a manner as to give Lehigh Railroad or to transportation lines preferred by it the long haul. In such cases the granting of the lease constituted a consideration given to the lessee by Lehigh Coal Co., and through it by Lehigh Railroad, for shipping his output over the lines of the Lehigh System. Therefore, such covenants have the effect of giving unreasonable preferences to the lessees as shippers in violation of section 3 of the act to regulate commerce (24 Stat., 379), and of causing departures from the published rates in violation of section 6 of the act to regulate commerce as amended

June 29, 1906 (34 Stat., 584), and of the Elkins Act (32 Stat., 847). Their purpose and effect have been and are to further Lehigh Railroad's monopoly of the transportation of coal produced along its lines. The annual shipments of operators bound by such covenants at times have been very large. During the following fiscal years their production, most of which was shipped in interstate commerce, is given in the annual reports of Lehigh Railroad as follows:

| | Gross tons. |
|---|---|
| 1890 | 2,460,562 |
| 1895 | 2,864,696 |
| 1900 | 2,113,627 |
| 1905 | 1,709,881 |

51 *10. Leases of coal yards, etc., by Lehigh Railroad on condition that lessees ship exclusively over its lines.*

In further pursuance of its purpose to monopolize the transportation of anthracite from mines along its line, Lehigh Railroad and its subsidiary railroad corporations have leased land adjacent to their tracks to large dealers in or consumers of anthracite at points of distribution such as Perth Amboy, N. J., Jersey City, N. J., Newark, N. J., Phillipsburg, N. J., and Allentown, Pa., at excessively low rentals in return for agreements, express or implied, that the lessee should route all shipments, both inbound and outbound, in such a manner as to give to Lehigh Railroad, or to lines preferred by it, the long haul.

The lease dated April 1, 1909, to Yates-Lehigh Coal Co. of premises located at Louisiana Street, Buffalo, N. Y., is typical. The assessed valuation of the premises leased (a coal trestle containing 16 pockets with a capacity of about 1,600 tons, together with about 44,165 square feet of land for a coal yard) is about $26,900. The taxes paid on the premises by Lehigh Railroad exceed $850 a year. The annual rental paid by the lessee is $250. The lease contains the following covenant, for breach of which a right of reentry is reserved:

"Eleventh. In consideration of the low rental herein reserved the said lessee hereby covenants and agrees during the continuance of this lease to ship or cause to be shipped over the railroad system of the Lehigh Valley Railroad Co. and over connecting and for-
52 warding transportation lines preferred by it, to the exclusion of all other means of transportation whatsoever, and in such manner as to give the said railroad company the long haul, all the freight the shipment of which the said lessee can control or influence, shipped from the above-described premises to its ultimate destination, or shipped from its point of departure to the said premises; provided always, that the freight rates on such shipments be as low as the rates charged to other shippers by the said railroad company for like contemporaneous service."

This lease is still in force, and a copy is annexed to this petition, marked "Exhibit No. 2."

Leases containing covenants similar in general effect to that quoted above have been entered into with the following persons, among others, and most of them are still in effect:

| Name of lessee. | Location of premises. | Date of lease. |
|---|---|---|
| Marcus E. Good | Allentown, Pa. 330-340 Gordon Street | Mar. 2, 1911 |
| James Butz & Co | Allentown, Pa., Jordan and Gordon Streets. | Jan. 7, 1908 |
| Edgar J. Lazuley | Allentown, Pa., 115-125 Hamilton Street. | Oct. 17, 1907 |
| Allen Coal Co | Allentown, Pa., Union Street | May 6, 1910 |
| W. H. Marsteller | Allentown, Pa., Union and Second Streets. | Apr. 13, 1911 |
| Nelson E. Kern | do | Aug. 23, 1911 |
| D. F. Bast | do | Aug. 30, 1911 |
| Jeremiah Kemmerer | do | Nov. 17, 1911 |
| J. F. Butz & Co | Allentown, Pa., Gordon Street | Nov. 29, 1909 |
| E. C. Smoyer | do | Nov. 26, 1909 |
| J. Martin Laubach | do | Do. |
| Wm. H. Wisser | do | Nov. 29, 1909 |
| Southdown Knitting Co | do | Nov. 26, 1909 |
| Lehigh Mills Corporation | do | Mar. 29, 1912 |
| J. A. Lieberman Sons | do | Nov. 26, 1909 |
| Lieberman Brewing Co | do | Sept. 10, 1912 |
| L. F. Neuweiler & Son | Allentown, Pa., Gordon Street | Nov. 29, 1909 |
| J. F. Butz & Co | Allentown, Pa | Dec. 16, 1909 |
| Koch Bros | do | Dec. 16, 1910 |
| 50 Wm. Hilbert & Co | Allentown, Pa | Jan. 4, 1910 |
| R. S. Rathbun | do | Feb. 28, 1911 |
| H. E. Lehr | do | Aug. 12, 1911 |
| C. C. Reichard | do | Nov. 13, 1911 |
| F. B. Kintner | Athens, Pa., Walnut Street | Dec. 14, 1911 |
| Cuddy & Geherin | Auburn, N. Y., Washington Street | Apr. 7, 1909 |
| R. E. Apgar | Bound Brook, N. J | Sept. 19, 1908 |
| P. J. Staats | do | Apr. 22, 1911 |
| D. C. Beasley | Barton, N. Y., Maple Avenue | Mar. 27, 1909 |
| A. L. Carpenter | Batavia, N. Y., Lehigh Avenue | Apr. 27, 1910 |
| Yates-Lehigh Coal Co | Buffalo, N. Y., Louisiana Avenue | Apr. 1, 1909 |
| J. C. W. Rankin | Cranford, N. J., Centennial Avenue | Aug. 18, 1910 |
| Levi Stofflet | Cementon, Pa | June 24, 1912 |
| Hamilton Farnham | Canastota, N. Y., Centre Street | May 20, 1909 |
| Do | Canastota, N. Y., Peterboro Street | Aug. 8, 1910 |
| Stanley R. Cummings | Cayuga, N. Y | Nov. 7, 1910 |
| Do | do | June 19, 1911 |
| G. F. Jones | Cayuta, N. Y | June 17, 1909 |
| Tilotson & Howson | Cazenovia, N. Y., near Elm Street | Apr. 25, 1910 |
| Mogg & Davis | do | Apr. 1, 1912 |
| Do | Cazenovia, N. Y., Elm Street | Do. |
| H. W. Longiellow | Cedar Swamp, N. Y | June 1, 1910 |
| Do | do | Do. |
| Wm. E. Ely | Cheektowaga, N. Y | June 21, 1912 |
| C. M. Jennings & Arthur T. Dunn. | Cortland, N. Y., Elm Street | Mar. 17, 1908 |
| Peckham & Morgan | Cortland, N. Y., Delaware Avenue | July 15, 1911 |
| J. A. Depew | Delano, Pa | Mar. 6, 1912 |
| John Strappler | Dimock, Pa | Oct. 2, 1911 |
| Do | do | Do. |
| M. G. Seeger | Lancaster, N. Y., Central Avenue | Jan. 7, 1911 |
| D. Moore & F. W. Hadlow | Dickson, N. Y | Sept. 18, 1909 |
| D. L. Miller | West Elizabeth, N. J., N. Broad Street | Nov. 13, 1909 |

| Name of lessee. | Location of premises. | Date of lease. |
|---|---|---|
| Latham & Burns | Ulmira Heights, N. Y | July 12, 1909 |
| John J. Roberts | Fair View, Pa | Nov. 11, 1907 |
| Wm. Skinner Sons & Co | Freemansburg, Pa | Feb. 10, 1912 |
| Horace Gross | do | June 5, 1912 |
| Do | do | June 27, 1912 |
| Greenville Coal & Ice Co | Jersey City, N. J., Garfield Avenue | Dec. 1, 1909 |
| Lehigh Valley Coal Co | Geneva, N. Y., Exchange Street | Apr. 24, 1907 |
| The Allen-Hewitt Co | Groton, N. Y., near Mill Street | June 11, 1908 |
| C. H. Forrest | Hornets Ferry, Pa | Nov. 23, 1912 |
| M. Westlake | Horseheads, N. Y., Ithaca Street | Jan. 1, 1912 |
| Lehigh Valley Coal Co. (with permission to sublease to L. V. Coal Sales Co.). | Irvington, N. J., Clinton Avenue | Feb. 23, 1912 |
| F. C. Adams | Ira, N. Y | Mar. 28, 1912 |
| Wm. A. Pinto Co | Jersey City, N. J., Whiton Street | July 28, 1910 |
| Lehigh Valley Coal Co | Jersey City, N. J., Wood yard and Grand Streets. | Feb. 23, 1912 |
| James Coyle | Jersey City, N. J., Grand Street | May 18, 1912 |
| 54 L. Wertheim Coal & Coke Co | Jersey City, N. J., corner Pacific Avenue and Grand Street. | Apr. 30, 1906 |
| G. N. Robinson | Jutland, N. J | June 9, 1910 |
| F. S. Williams | Keuka, N. Y | Mar. 25, 1912 |
| D. S. Fox | Lansdowne, N. J | Feb. 4, 1912 |
| J. B. Donovan | Laceyville, Pa | Dec. 15, 1907 |
| P. J. Headley | La Grange, Pa | Mar. 5, 1908 |
| A. P. Covert | Lodi, N. Y | Mar. 29, 1912 |
| H. A. Butler (with permission to assign to Jas. B. Bennyhoff). | Manch Chunk, Pa | Mar. 15, 1910 |
| B. J. Dougherty | Mechanicsville, Pa | Jan. 15, 1910 |
| John Strappler | Nanticoke, Pa | Feb. 16, 1907 |
| Irene Kohler | Nicholson, N. Y | Oct. 29, 1912 |
| Lester Shurts and Andrew Shurts. | Nicholas, N. J | Mar. 15, 1909 |
| Lehigh Valley Coal Co. (with permission to sublease to L. V. Coal Sales Co.). | Newark, N. J | Feb. 23, 1912 |
| J. H. Lucking | Newark, N. J., Hamburg Place | Apr. 14, 1910 |
| Do | do | Mar. 14, 1912 |
| Do | do | Do. |
| Paul Bros | do | Dec. 12, 1911 |
| Do | do | Mar. 14, 1912 |
| F. E. Benedict | do | Feb. 16, 1912 |
| Chas. E. Kelly | Newmarket, N. J | May 8, 1911 |
| Newmarket Coal & Grain Co | do | Mar. 13, 1911 |
| Frank L. Clark | Naples, N. Y., West Avenue | May 13, 1911 |
| G. M. Thompson | New Woodstock, N. Y | Apr. 19, 1911 |
| F. C. Olmstead & Son | North Lansg, N. Y | Oct. 29, 1911 |
| Chas. Heicher | Orwigsburg, Pa | Apr. 9, 1910 |
| Wm. A. Bird | Paterson, N. J | June 2, 1911 |
| W. F. Carty | Phillipsburg, N. J | June 1, 1909 |
| M. J. Cannon | do | June 14, 1911 |
| Do | do | Sept. 10, 1912 |
| Do | do | Feb. 10, 1912 |
| Tippitt & Wood | do | Feb. 6, 1912 |
| Jas. Fleming | do | Sept. 29, 1910 |
| S. J. Becker | Pickton, N. J | July 5, 1912 |
| Bittner, Fitzpatrick & Co | do | Mar. 1, 1910 |
| F. E. Lord | Mendon, N. Y., Rochester Junction | June 26, 1911 |
| Lehigh Valley Coal Co. (with permission to sublease to L. V. Coal Sales Co.). | Rochester, N. Y | Feb. 23, 1912 |
| F. E. Lord | Rochester Junction, N. Y | Oct. 14, 1911 |
| Ten Eyck & Harris | South Plainfield, N. J | Feb. 8, 1911 |

| Name of lessee | Location of premises | Date of lease |
|---|---|---|
| Lehigh Valley Coal Co. (with permission to sublease to L. V. Coal Sales Co.) | South Plainfield, N. J. | Feb. 23, 1912 |
| S. B. Van Ness | Somerville, N. J. | May 14, 1909 |
| Edward Hoeto | Sunnyside, N. J. | Feb. 28, 1908 |
| D. Clancy Coal Co. | Sayre, Pa. | Nov. 12, 1909 |
| M. A. Fuel | Sayre, Pa., Canada Street | Dec. 26, 1911 |
| 55 Brown & Fassett | Springville, Pa. | June 14, 1911 |
| Arthur Taylor | Stockerton, Pa. | June 5, 1912 |
| J. H. O'Brien | Seneca Falls, N. Y. | Aug. 8, 1911 |
| R. C. Backhaus | Starkey, N. Y. | Feb. 27, 1912 |
| C. W. Leet | Do. | Jan. 29, 1912 |
| Gold Electric Co. | Tauntaunuck Falls, N. Y. | Jan. 25, 1911 |
| L. J. Wilbur | Victor, N. Y., Maple Avenue | Jan. 30, 1909 |
| Frank Brewster | Vienna, N. Y., Kitt's Pebble Highway | Mar. 25, 1910 |
| Do. | Vienna, N. Y. | Nov. 6, 1911 |

These leases violate the same sections of the act to regulate commerce and the Elkins Act as the leases to tenant operators above described. Their purpose and effect have been to further the monopolization by Lehigh Railroad of the transportation of anthracite coal from regions served by it through discriminations in favor of coal dealers who give to it exclusively the routing of their shipments.

*II. Leases of coal yards, etc., by Lehigh Coal Co. upon condition that lessees deal exclusively with it.*

In further pursuance of its purpose to monopolize the sale of coal from mines tributary to Lehigh Railroad, Lehigh Coal Co. has leased coal yards, trestles, and storage facilities to dealers in anthracite coal on condition that they purchase coal exclusively, or in specified large quantities, from it. Such leases have been entered into with the following persons, among others:

Yates-Lehigh Coal Co., Walden Avenue yard, Buffalo, N. Y.
Lill-Robinson Coal Co., Fifty-ninth Street yard, Chicago, Ill.
Frank Dwyer, Geneva trestle, Geneva, N. Y.
Carnegie Fuel Co., Western Avenue yard, Minneapolis, Minn.
Flour City Fuel & Feed Co., Harrison Street yard, Minneapolis, Minn.
A. H. Mowry, Oswego yard, Oswego, N. Y.
56 Carnegie Fuel Co., Como Avenue yard, St. Paul, Minn.
Dalton Coal Co., State Street yard, Syracuse, N. Y.
Dawson Coal Co., Magnolia Street yard, Syracuse, N. Y.

*12. Unreasonably high freight rates.*

For many years Lehigh Railroad has charged unreasonably high rates for transporting anthracite from the mines to the principal markets, and the Interstate Commerce Commission so found in the case of Cone Bros. & Co. v. Lehigh Valley R. Co. (4 I. C. C., 535),

and in the case of Meeker & Co. v. Lehigh Valley R. Co. (21 I. C. C., 129; 23 I. C. C., 480), affirmed by the United States Commerce Court in Lehigh Valley R. Co. v. U. S. (204 Fed., 986). In the Coxe case the rates from the Lehigh region to Perth Amboy, N. J., were reduced from an average of $1.69 per ton to an average of $1.40 per ton, the new rates prescribed by the commission being as follows:

| | Per gross ton. |
|---|---|
| Prepared sizes | $1.30 |
| Pea | 1.25 |
| Buckwheat and rice | 1.05 |

In the Meeker case the commission held that the rates from the Wyoming region to Perth Amboy, N. J., were, and had been since 1901, unreasonably high, and ordered them to be reduced as follows:

| | Per gross ton. |
|---|---|
| Prepared sizes from | $1.55 to $1.40 |
| Pea from | 1.40 to 1.30 |
| Buckwheat from | 1.30 to 1.15 |

These unreasonable rates have been charged with the intention of injuring independent producers of anthracite and of forcing
57 them either to sell their mines and mining properties to Lehigh Railroad or to enter into contracts for the sale of their output to Lehigh Coal Co. While Lehigh Coal Co. has also been obliged to pay the published rates, its losses therefrom have been recouped by advances to it out of the profits of transportation made by Lehigh Railroad, its sole stockholder.

The published tariff rates per gross ton for transportation of anthracite from the Lehigh and Schuylkill regions to Perth Amboy, N. J., the principal tidewater distributing point reached by Lehigh Railroad, have been for the years stated as follows:

| Year | Prepared sizes. | Pea. | Buckwheat. | Rice and barley. |
|---|---|---|---|---|
| 1895 | $1.50 | $1.40 | $1.35 | $1.35 |
| 1896 | 1.55 | 1.40 | 1.30 | 1.30 |
| 1897 | 1.55 | 1.40 | 1.30 | 1.30 |
| 1898 | 1.55 | 1.40 | 1.30 | 1.30 |
| 1899 | 1.55 | 1.40 | 1.30 | 1.30 |
| 1900 | 1.55 | 1.40 | 1.30 | 1.30 |
| 1901 | 1.55 | 1.40 | 1.25 | 1.25 |
| 1902 | 1.55 | 1.40 | 1.25 | 1.10 |
| 1903 | 1.55 | 1.40 | 1.25 | 1.10 |
| 1904 | 1.55 | 1.40 | 1.25 | 1.10 |
| 1905 | 1.55 | 1.40 | 1.25 | 1.10 |
| 1906 | 1.55 | 1.40 | 1.30 | 1.10 |
| 1907 | 1.55 | 1.40 | 1.30 | 1.10 |
| 1908 | 1.55 | 1.40 | 1.30 | 1.10 |
| 1909 | 1.55 | 1.40 | 1.30 | 1.10 |
| 1910 | 1.55 | 1.40 | 1.30 | 1.10 |
| 1911 | 1.55 | 1.40 | 1.30 | 1.10 |
| 1912 | 1.55 | 1.40 | 1.30 | 1.10 |
| 1913 | 1.55 | 1.40 | 1.30 | 1.10 |

38 The corresponding rates from the Wyoming region to Perth Amboy, N. J., have been as follows:

| Year. | Prepared sizes. | Pea. | Buckwheat. | Rice and barley. |
|---|---|---|---|---|
| 1887 | $1.50 | $1.40 | $1.15 | $1.35 |
| 1888 | 1.55 | 1.40 | 1.30 | 1.20 |
| 1889 | 1.55 | 1.40 | 1.20 | 1.20 |
| 1890 | 1.55 | 1.40 | 1.20 | 1.20 |
| 1891 | 1.55 | 1.40 | 1.20 | 1.20 |
| 1892 | 1.55 | 1.40 | 1.20 | 1.20 |
| 1893 | 1.55 | 1.40 | 1.25 | 1.25 |
| 1894 | 1.55 | 1.40 | 1.25 | 1.10 |
| 1895 | 1.55 | 1.40 | 1.25 | 1.10 |
| 1896 | 1.55 | 1.40 | 1.25 | 1.10 |
| 1897 | 1.55 | 1.40 | 1.25 | 1.10 |
| 1898 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1899 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1900 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1901 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1902 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1903 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1904 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1905 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1906 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1907 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1908 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1909 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1910 | 1.55 | 1.40 | 1.20 | 1.10 |
| 1911 | 1.49 | 1.39 | 1.15 | 1.10 |
| 1912 | 1.49 | 1.39 | 1.15 | 1.10 |
| 1913 | 1.49 | 1.39 | 1.15 | 1.10 |

VI.—Effect of the Conspiracy: Degree of Control Acquired.

By virtue of the unlawful conspiracy and the acts in furtherance thereof hereinabove set forth, defendant Lehigh Railroad and its affiliated companies above named have acquired a virtual monopoly of the production, transportation, and sale in interstate and foreign commerce of anthracite coal mined from lands located along the lines of Lehigh Railroad or near enough thereto to be served by them in the normal course of business.

They own or hold under long-term leases about 91,701 acres of land in the anthracite-producing regions of Pennsylvania, of
39 which it is estimated about 36,874 acres contain anthracite, practically all located near and tributary to the lines of Lehigh Railroad and constituting much the greater proportion of the anthracite-bearing lands so located. Of the total acreage over 49,000 acres have been acquired since 1898.

They are now producing from these lands between 8,000,000 and 9,000,000 gross tons of anthracite a year. In 1912 the production was approximately 8,644,521 gross tons; in 1911, 9,504,928 gross tons; in 1910, 7,864,518 gross tons.

Prior to 1900 their production was much smaller, being about 3,138,973 gross tons in 1900, 2,717,005 gross tons in 1895, and 1,500,000 tons in 1890. The increase is chiefly due to the acquisitions since 1900, as above set forth, of large amounts of anthracite-bearing

lands and of the capital stocks and mining properties of many independent and competitive producers, particularly the following:

| Year acquired. | Name of company. | Approximate production about the time of acquisition. |
|---|---|---|
| | | *Gross tons.* |
| 1901 | Connell Coal Co. | 384,524 |
| 1901 | Seneca Coal Co. | 358,626 |
| 1902 | Mineral Spring Coal Co. | ..... |
| 1902 | Righter Coal Co. | 188,606 |
| 1904 | Warriour Run Mining Co. | 193,466 |
| 1905 | Wyoming Coal & Land Co. | 76,449 |
| 1905 | Coxe Bros. & Co., Inc. | 1,250,000 |
| 1910 | Stevens Coal Co. | 160,000 |
| 1910 | Mill Creek Coal Co. | 450,000 |
| 1910 | Lentz & Co. | 400,000 |
| 1911 | Austin Coal Co. | 60,000 |
| | Total | 3,521,681 |

60 Lehigh Coal Sales Co., as averred above, also purchases large quantities of anthracite—several hundred thousand gross tons each year—from independent producers along Lehigh Railroad and from the Temple Iron Co. It is also the exclusive selling agent for the G. B. Markle Co., which normally produces over 1,000,000 gross tons of anthracite a year.

Lehigh Railroad now transports annually, principally in interstate commerce, about 11,000,000 gross tons of anthracite. Of the total tonnage of anthracite transported by it, the proportion shipped by or for the account of Lehigh Coal Co. and affiliated companies (not including the coal of the G. B. Markle Co.) has been for the years stated about as follows:

| | Per cent. |
|---|---|
| 1880 | 24.12 |
| 1885 | 21.93 |
| 1890 | 18.02 |
| 1895 | [a]55.18 |
| 1902 | 52.67 |
| 1906 | 85.25 |
| 1907 | 87.11 |
| 1908 | 85.69 |
| 1909 | 83.20 |
| 1910 | 81.51 |
| 1911 | 84.48 |
| 1912 | 82.65 |
| 1913 | 82.09 |

[a] About 25 per cent produced by Lehigh Railroad subsidiaries, and about 30 per cent purchased.

By virtue of its aforesaid monopoly of the ownership and production of anthracite coal, exercised through subsidiary corporations under its control, Lehigh Railroad has prevented the building of any

new railroad into the portions of the anthracite region served
61 by it and has kept the independent producers under the disadvantage of having to ship over a railroad also engaged in the coal business. By virtue of its aforesaid monopoly of the sale of coal produced along its line, likewise exercised through such subsidiary corporations, it completely dominates the markets at all points thereon not reached by any other railroad, and has the power to fix, has fixed, and does fix, without the check of competition, the prices at which anthracite is sold at such points.

VII.—Violations of Commodity Clause by Lehigh Railroad.

*1. Prior to March 1, 1912.*

From its organization until March 1, 1912, when it entered into the arrangement with Lehigh Coal Sales Co. hereinafter referred to, Lehigh Coal Co. shipped annually over Lehigh Railroad great quantities of anthracite coal mined or purchased and at the time of transportation owned by Lehigh Coal Company and not necessary or intended for the use of Lehigh Railroad as a common carrier. In 1911 such shipments amounted to more than 8,000,000 gross tons.

Lehigh Coal Co. was formed at the instance of Lehigh Railroad. It has always been and is a mere instrumentality to hold and operate anthracite mines the ownership or control of which in almost every instance was first acquired by the railroad and then turned over to
the coal company. Its entire capital stock (except directors'
62 qualifying shares) is and at all times has been owned by the railroad, which dictates who shall be its officers, directors, and employees.

Until the suit of United States *v.* Lehigh Valley R. Co. (220 U. S., 257) was instituted, charging that Lehigh Railroad and Lehigh Coal Co. were identical corporations, the officers and directors of Lehigh Coal Co. were almost exclusively officers and directors of Lehigh Railroad and were appointed because they were such. As officers and directors of Lehigh Coal Co. they acted merely on behalf of and for the railroad and under its instructions. The same person, Eben B. Thomas, is still president of both companies. H. J. McQuade, at present secretary and treasurer of Lehigh Coal Co., was assistant treasurer of Lehigh Railroad. L. A. Tompkins, at present general auditor of Lehigh Coal Co., was appointed on the suggestion of G. N. Wilson, then general auditor of Lehigh Railroad and now president of Lehigh Coal Sales Co. Lehigh Coal Co. has six directors. Two of these, namely, D. G. Reid and Edward T. Stotesbury, are directors of Lehigh Railroad. A third, L. D. Smith, is vice president of Lehigh Railroad. A fourth, I. A. Stearns, was from 1897 to 1910 a director of Lehigh Railroad. These, and also the other officers and directors of Lehigh Coal Co., were chosen by or at the instance of Lehigh Railroad, its sole stockholder, to direct and manage it in all respects in the interest of the railroad.

For many years the general offices of both companies were
63 at the same places, namely, 228 South Third Street, Philadelphia, Pa., and 143 Liberty Street, New York, N. Y., and the work of the coal company was carried on over office desks belonging to the railroad. The office of the coal company in New York City was changed to 90 West Street for a few years, but after the formation of Lehigh Coal Sales Co. was moved back to 143 Liberty Street. Until 1908 the annual report of Lehigh Coal Co. was a subdivision of the annual report of Lehigh Railroad and was treated as the report of a mere department of the railroad.

Lehigh Railroad has always used its control of Lehigh Coal Co. to dictate over what route coal shipped by the latter shall be transported, and has always compelled substantially all such shipments to be sent over its own lines or those of its affiliated companies. It was to accomplish that end that it caused Lehigh Coal Co. to acquire and work coal mines, and to enter into the above-described contracts for the purchase of coal from independent shippers and from Coxe Bros. & Co., Inc., and the Temple Iron Co., and to make the exclusive sales agency contract with the G. B. Markle Co. In these transactions, Lehigh Coal Co. was acting for Lehigh Railroad, to protect it from the competition of other railroads and to increase its control over the production and sale of anthracite coal.

Lehigh Coal Co. for many years has paid unreasonably high freight rates to Lehigh Railroad without protest, because the
64 two companies were and are virtually one. Similarly it has paid for purchased coal, in order to secure tonnage for Lehigh Railroad, so large a proportion of the tidewater price that it could not, out of the residue, pay the cost of transportation, the wastage, and the expense of selling. It has also leased coal lands on condition that the tonnage therefrom be shipped over Lehigh Railroad.

On the other hand, the railroad has furnished the coal company with working capital, has advanced to it millions of dollars for which no accounting was ever made, has remitted to it further millions of dollars of interest upon loans, has guaranteed its bonds and paid interest thereon, and has leased to it storage yards and other facilities at unreasonable low rentals.

Thus, Lehigh Coal Co. is and always has been a mere adjunct, department, or instrumentality of Lehigh Railroad. It is not and never has been a bona fide separate corporation. In reality the two are one and the same association of persons engaged in mining, selling, and transporting anthracite coal.

Wherefore the transportation by Lehigh Railroad of anthracite coal mined or purchased and at the time of transportation owned by Lehigh Coal Co. violates the aforesaid commodity clause of the act to regulate commerce, as amended June 29, 1906, prohibiting a railroad from transporting in interstate and foreign commerce, with certain exceptions, articles manufactured, mined, or produced by it or under its authority or which it may own in whole or in part,
65 or in which it may have any interest, direct or indirect. It

also violates article 17, section 5, of the constitution of Pennsylvania, adopted November 3, 1873, effective January 1, 1874, providing that no common carrier shall, directly or indirectly, engage in mining or manufacturing articles for transportation over its works, or, directly or indirectly, engage in any other business than that of a common carrier, or acquire lands, directly or indirectly, except such as shall be necessary for carrying on its business as a common carrier.

Furthermore, such unlawful combining of the function of dealer with the function of carrier by defendant Lehigh Railroad has given it an undue advantage over independent producers and shippers of anthracite and has been one of the principal means by which it has acquired its hereinabove described monopoly of production, transportation, and sale of anthracite from mines along its lines, and has afforded it a cover for giving rebates and undue preferences to Lehigh Coal Co., which it has done as hereinabove alleged in violation of section 3 of the act to regulate commerce (24 Stat., 379) and in furtherance of its aforesaid monopoly.

*2. Since March 1, 1912.*

On April 3, 1911, in the case of United States *v.* Lehigh Valley R. Co. (220 U. S., 257), the United States Supreme Court decided that it is a violation of the aforesaid commodity clause for a railroad to transport in interstate commerce coal belonging to a cor-
66 poration whose stock it owns and whose affairs have been commingled with its own. To escape this decision and retain the monopoly in the transportation and sale of anthracite coal which it had unlawfully acquired, Lehigh Railroad conceived the plan of organizing a new corporation (Lehigh Coal Sales Co.), whose stockholders should be identical with those of Lehigh Railroad, and to which the entire output of Lehigh Coal Co. and all coal which it might purchase should be sold f. o. b. the mines.

The plan was carried out. The executive and finance committee of Lehigh Railroad met January 9, 1912, and took the action related in the following extract from its minutes:

"The president referred to the action at law which had been instituted by the Federal Government against this company, claiming that the so-called 'commodities clause' has been violated in the transportation of coal belonging to the Lehigh Valley Coal Co., and to the advice of the general counsel of the company, John G. Johnson, expressed to him and to a majority of the committee in the matter. Mr. Johnson's recommendation was that it would be expedient, even though not legally required, to make some arrangement by which the coal belonging to the Lehigh Valley Coal Co. would be sold under a contract for a specified period by a coal sales company whose shares of stock would not be owned either by the railroad company or by the coal company.

"After discussion, on motion, duly seconded, and by the affirmative vote of all present, it was—

67 "Resolved, That in the judgment of the committee it would be advisable for the board of directors of the railroad company, by proper resolution, to bring to the attention of the Lehigh Valley Railroad Co., without delay, the recommendation which had been made with reference to the organization of such coal sales company and to request the coal company to consider the propriety of taking some action in the matter of organizing such coal sales company, whose shares would thus be independently held."

Two days later, January 11, 1912, the board of directors of Lehigh Railroad met at 228 South Third Street, Philadelphia, Pa., and, in pursuance of the plan of the executive and finance committee, passed the following resolution:

"Resolved, That the president inform the directors of the Lehigh Valley Coal Co. that the directors of this company request them to consider the propriety of organizing a coal sales company, such as has been recommended by the executive and finance committee; and, further, to consider the propriety of entering into a contract, for a limited time and upon terms to be agreed upon, with such coal sales company, if it be formed, for the purchase and sale by the latter of the coal mined, purchased, and owned by the coal company. * * *"

"Resolved, That the board of directors of the coal company if they determine to cause an organization of such coal sales com-

68 pany and to make a contract with it as suggested, be requested to authorize an offer of the subscription of the stock of such sales company, not to the railroad company, but, pro rata, to the common and preferred stockholders of the railroad company. * * *"

"Resolved further, That out of the accumulated surplus of this company there is hereby made an appropriation by way of dividend of the sum of $6,060,800; that the same shall be distributed as a dividend on February 26, 1913, pro rata, to such common and preferred stockholders of the Lehigh Valley Railroad Co. as may be recorded on the books of this company at the close of business of January 19, 1912. * * *"

A few minutes later on the same day and at the same place the directors of Lehigh Coal Co. met and in pursuance of the plan of the executive and finance committee of Lehigh Railroad, passed a resolution authorizing the incorporation of Lehigh Coal Sales Co. and granting stockholders of Lehigh Railroad the privilege of subscribing to the stock of the new company to the extent of 10 per cent of their holdings of the stock of the railroad. To each stockholder of the railroad was sent a blank power of attorney, which, when duly executed, authorized Drexel & Co. (1) to subscribe on behalf of the stockholder for his proportionate share of the stock of Lehigh Coal Sales Co., (2) to receive the dividend due the subscriber from the railroad, and (3) to use said dividend to pay the subscription to the

capital stock of Lehigh Coal Sales Co. To further secure
69 practical identity between the stockholders of the two companies it was provided that no stockholder of the railroad could subscribe at all unless he subscribed for the whole of his allotment.

Thereafter, on January 19, 1912, Lehigh Coal Sales Co. was incorporated in New Jersey, with an authorized capital stock of $10,000,000, of which $6,060,800 was issued immediately, being equal to 10 per cent of the capital stock of Lehigh Railroad. The 10 per cent dividend declared in advance by Lehigh Railroad was paid and over 3,000 of its stockholders, being a majority in interest, availed themselves of the privilege of subscribing to the stock of Lehigh Coal Sales Co. Thereupon the two corporations, with all their business and assets, came into and have since remained under the immediate control of substantially the same group of persons. At present over 80 per cent of the shares of Lehigh Coal Sales Co. are owned by the majority stockholders of Lehigh Railroad. The officers and directors of Lehigh Coal Sales Co. were chosen largely from among the officers and directors of Lehigh Railroad and Lehigh Coal Co., and because of their connection with those companies.

The first officers were: John W. Skeele, president; George N. Wilson, vice president and secretary; William J. Burton, assistant secretary and treasurer; A. R. Kyle, assistant treasurer. The first directors were: John W. Skeele, Paul Moore, Thomas W. Lamont, William R. Evans, Francis L. Hine, Horatio G. Lloyd, and Lyman D. Smith.

John W. Skeele resigned as vice president and general sales
70 manager of Lehigh Coal Co. to become president of the Coal Sales Co. G. N. Wilson had formerly been general auditor of both Lehigh Coal Co. and Lehigh Railroad Co., and resigned a directorship in the latter to accept his new office in the Coal Sales Co. Mr. Skeele has since died, and Mr. Wilson has succeeded him as president and director of the Coal Sales Co. Of the directors, William R. Evans (who has been also vice president and general manager of the Coal Sales Co. since Mr. Wilson's promotion) was, until March 1, 1912, assistant to the general sales agent of Lehigh Coal Co.; Lyman D. Smith is vice president of Lehigh Railroad Co.; Paul Moore is a son of W. H. Moore, who is a director and the third largest stockholder in Lehigh Railroad. Nearly the entire force of sales agents of Lehigh Coal Co. were taken over by Lehigh Coal Sales Co. The general offices of the two companies were at the same address, 90 West Street, New York, N. Y., until the office of Lehigh Coal Co. was moved back to 143 Liberty Street, New York, N. Y.

On March 1, 1912, Lehigh Coal Co. entered into a contract, a copy of which is annexed hereto as Exhibit No. 3, with Lehigh Coal Sales Co., which provides, in substance, as follows:

(a) The Coal Co. agreed to sell to the Coal Sales Co. substantially all of its existing stock of coal mined and ready for market at the following prices:

"For prepared sizes of coal stored at points west and north of Buffalo, N. Y., the sum of five dollars and seventy-five cents ($5.75) per gross ton.

71 "For prepared sizes of coal stored at Buffalo, N. Y., and at points east thereof, the sum of four dollars ($4) per gross ton.

"For sizes smaller than prepared sizes stored at all points not including that stored at or about the mines of the mining company, the sum of one dollar and twenty-five cents ($1.25) per gross ton."

These prices were unreasonably low. The $1.25 per gross ton paid for the smaller sizes was not even enough to pay the freight rates to the points where much of the coal of these sizes was stored. The total amount paid for all the coal, including all sizes, did not equal the freight rates to the points where the coal was stored, plus the waste in transit and the cost of production.

(b) The Coal Co. agreed to sell to the Coal Sales Co., f. o. b. cars at the mines all coal thereafter mined or purchased by it (except coal retained for its own use or for the use of the railroad, or for local retail purposes), for 65 per cent of the current average tidewater prices of the larger sizes and somewhat lower percentages in respect of the smaller sizes, subject to the following deductions:

"As to the coal mined by the mining company and only as to coal it mines and prepares, from the above stated prices an allowance shall be made to the sales company with respect to all sizes for the first year of this contract of 7 per cent, for the second year 6 per cent, for the third year 5 per cent, for the fourth year 3 per cent, and for the fifth year 1 per cent."

72 These prices were materially lower than those prevailing at the time the contract was made and paid both by Lehigh Coal Sales Co. and Lehigh Coal Co. to other producers.

(c) The Coal Co. assigned to the Coal Sales Co. all its sales agency contracts and its leases to local dealers conditioned upon purchases of coal from itself.

(d) The Coal Co. agreed to lease to the Coal Sales Co. during the life of the selling contract its storage and stocking plants, trestles, docks, etc., at the various distributing points at a rental of $180,000 a year (4½ per cent upon the estimated value of the property), to be increased by 4½ per cent upon the cost of any additions or improvements made subsequently by the coal company at the request of the Coal Sales Co. Such a lease was made March 1, 1912, and a copy is annexed to this petition marked "Exhibit No. 4."

(e) The contract was made terminable upon the option of either party upon 6 months' notice, but otherwise was to continue for 10 years.

This contract, as the above terms show, was not a bona fide transaction between separate corporations.

The profits of Lehigh Coal Sales Co. have been enormous. Since October 21, 1912, it has paid regular dividends of 2½ per cent quarterly, amounting in all to 15 per cent by January 10, 1914, the date

of the last quarterly payment. In November, 1913, after doing business only a little over 1 year and 9 months, it declared and subsequently paid an extra cash dividend of 25 per cent. At the same time its stockholders were given the right to subscribe to a new stock issue to the extent of their holdings, which amounted to a
73 25 per cent stock dividend. In addition it had accumulated, December 31, 1913, a surplus of $1,134,847.53.

The purpose of the Lehigh Railroad and those who controlled it in organizing Lehigh Coal Sales Co. was to use the latter as a mere instrumentality for retaining under their direction and for their profit the monopoly which they had acquired of the sale of anthracite coal from mines tributary to the railroad, and this has been accomplished through the arrangements hereinabove described.

The Coal Sales Co. is and must always be subservient to the will and direction of those who control the railroad. Such persons have always constituted its dominant stockholders and probably always will. They elect or dictate its officers and directors, and through them they determine its policies. It can buy coal from no one but Lehigh Coal Co.—their instrumentality—from which also it leases nearly all of its yards and storage and selling facilities. Should it fail to conform to their wishes they can destroy its sole business by canceling its purchase contract and its leases upon six months' notice. In short, the Coal Sales Co. is so bound to the railroad and its subsidiary companies that it has no bona fide separate existence. The two corporations are but instrumentalities of substantially the same group of stockholders.

Furthermore, the contract between Lehigh Coal Co. and Lehigh Coal Sales Co. necessarily hinders and prevents the railroad from freely fixing its rates for transporting coal according to recognized and legitimate standards, and introduces a factor which may
74 not be considered consistently with the rights of the public, and which necessarily tends to keep such rates unduly high. For, since under the contract Lehigh Coal Co., all of whose stock is owned by the railroad, receives for its coal at the mines a percentage of the price at New York Harbor, which price is largely determined by the freight rate, it follows that the higher the freight rate from the mines to New York Harbor the higher the prices received by the coal company and ultimately by the railroad, its sole stockholder; and, on the other hand, as the freight rate decreases such prices decrease. The contract is thus not only a barrier against any reduction in the railroad's freight rates to New York, however justified by conditions, but is an inducement to higher rates, regardless of any change in the cost or character of the service. It is an undue, unreasonable, and unlawful restraint of interstate trade and commerce.

Again, since Lehigh Railroad, through Lehigh Coal Co., has a direct interest in the price to be obtained for coal sold at New York Harbor, it has an indirect interest in the coal itself.

Wherefore, in no proper or legal sense has the interest of Lehigh Railroad in the anthracite coal produced and purchased by Lehigh Coal Co. been relinquished or terminated, and the transportation by

Lehigh Railroad of anthracite coal so produced or purchased by Lehigh Coal Co., and at the time of transportation claimed to be owned by Lehigh Coal Sales Co., violates the aforesaid commodity clause of the act to regulate commerce as amended June 29, 1906.

75 VIII.—PRAYER.

Wherefore petitioner prays:

1. That writs of subpœna issue, directed to each and every of the defendants, commanding them to appear herein and answer, but not under oath (answer under oath being hereby expressly waived), the allegations contained in the foregoing petition, and to abide by such orders and decrees as the court may make in the premises.

2. That it be adjudged that defendants Lehigh Railroad, Lehigh Coal Co., Lehigh Coal Sales Co., Coxe Bros. & Co., Inc., Delaware, Susquehanna & Schuylkill Rail Road Co., New York & Middle Coal Field Railroad & Coal Co., G. B. Markle Co., Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, in the manner and by the means hereinabove described, have been and are engaged in combinations and conspiracies in restraint of interstate and foreign trade and commerce in anthracite coal and have attempted to monopolize and have been and are monopolizing a part of said trade and commerce, in violation of the aforesaid act of July 2, 1890 (26 Stat., 209); and that they and their officers, directors, and agents be perpetually enjoined from further carrying out or maintaining said con-

76 spiracies, combinations, attempts to monopolize, and monopolizations, or any others of like character and effect.

3. That it be adjudged that the acquisitions by defendant Lehigh Railroad of controlling interests in the capital stocks of defendants Lehigh Coal Co., Coxe Bros. & Co., Inc., Delaware, Susquehanna & Schuylkill Rail Road Co., and New York & Middle Coal Field Railroad & Coal Co. were made in furtherance of the aforesaid combinations and conspiracies and attempts to monopolize and monopolizations, and that its continued ownership thereof constitutes a combination in restraint of interstate and foreign trade and commerce and an attempt to monopolize and a monopolization of a part of the same in violation of the aforesaid act of July 2, 1890; and that the Lehigh Railroad be required to dispose of such capital stocks, under the supervision and direction of the court, to persons not its stockholders or agents nor otherwise under its control or influence, and in such manner that said corporations shall not have the same controlling stockholders, and that pending such disposition it be enjoined from voting or receiving dividends in respect of any part of said stocks.

4. That it be adjudged that the hereinabove described acquisitions of anthracite coal lands and mining businesses through Lehigh Coal Co. were made in furtherance of the aforesaid combinations and con-

spiracies and attempts to monopolize and monopolizations, and that
defendant Lehigh Coal Co. in and of itself constitutes a com-
77 bination in restraint of interstate and foreign trade and com-
merce and a monopolization of a part of the same, in viola-
tion of the aforesaid act of July 2, 1890; and that such combination
and monopolization be dissolved under the supervision and direc-
tion of the court into such number of units of separate and distinct
ownership as may be necessary to restore competition in the pro-
duction, sale, and transportation of anthracite coal from mines tribu-
tary to defendant Lehigh Railroad, and if essential to that end, that
a receiver be appointed to take possession of the property of the
said Lehigh Coal Co.

5. That it be adjudged that the other acts herein complained of, including the purchases of the output of other producers (including that of defendant Coxe Bros. & Co., Inc.) by Lehigh Coal Co. and by Lehigh Coal Sales Co.; the contract dated December 30, 1889, between the defendants Lehigh Coal Co. and G. B. Markle Co., securing to the former the exclusive selling of the output of the latter; the leasing of anthracite-bearing lands by Lehigh Coal Co. on condition that the lessees ship the output therefrom over the lines of Lehigh Railroad; the leasing of coal yards, trestles, etc., by Lehigh Railroad on condition that the lessees ship exclusively over its lines; and the leasing of coal yards, trestles, etc., by Lehigh Coal Co. on condition that the lessees purchase coal exclusively or in specified large quan-
tities from it, were and are in furtherance of the aforesaid com-
78 binations and conspiracies and attempts to monopolize and
monopolizations and were and are in violation of the aforesaid
act of July 2, 1890.

6. That the contracts under which defendants Lehigh Coal Co. and Lehigh Coal Sales Co. purchase as aforesaid the output of other producers be canceled and that such purchases in the future be enjoined; that said sales agency contract between defendants Lehigh Coal Co. and G. B. Markle Co. dated December 30, 1889, be canceled and the further performance of it or of any similar agreement be enjoined; that defendant Lehigh Coal Co. be enjoined from requiring any further performance of the said covenants in leases of anthracite-bearing lands binding the lessees to ship the output therefrom over the lines of defendant Lehigh Railroad; that defendant Lehigh Railroad be enjoined from requiring any further performance of the said covenants in leases of coal yards, trestles, etc., binding the lessees to ship exclusively over its lines; that defendant Lehigh Coal Co. be enjoined from requiring any further performance of the said covenants in leases of coal yards, trestles, etc., binding the lessees to purchase coal exclusively or in specified large quantities from it.

7. That it be adjudged that Lehigh Coal Co. is not a bona fide independent corporation, but a mere adjunct or department of Lehigh Railroad, and that the transportation for Lehigh Coal Co. by Lehigh

Railroad of anthracite coal not necessary and intended for its
79 use as a common carrier was and is in violation of the aforesaid commodity clause of the act to regulate commerce, as amended June 29, 1906, and that such transportation be enjoined until after Lehigh Railroad has disposed of its entire interest in the capital stock of Lehigh Coal Co. as hereinbefore prayed.

8. That it be adjudged that Lehigh Coal Sales Co. is not a bona fide independent corporation, but a mere instrumentality of the stockholders of Lehigh Railroad, and that the transportation for Lehigh Coal Sales Co. by Lehigh Railroad of anthracite coal not necessary and intended for its use as a common carrier is in violation of the aforesaid commodity clause of the act to regulate commerce, and that such transportation be enjoined so long as stockholders of Lehigh Railroad constitute also the controlling stockholders of Lehigh Coal Sales Co.

9. That it be adjudged that the arrangements and agreements between defendants Lehigh Railroad, Lehigh Coal Co., and Lehigh Coal Sales Co., including the purchase contract dated March 1, 1912, between Lehigh Coal Co. and Lehigh Coal Sales Co., and the contract of lease of the same date between the same parties, constitute a contract and combination in restraint of interstate and foreign trade and commerce in anthracite coal, in violation of the aforesaid act of July 2, 1890; and that they be annulled and that the parties be enjoined from entering into any similar arrangements or agreements
so long as Lehigh Railroad or stockholders thereof are the
80 controlling stockholders of either Lehigh Coal Co. or Lehigh Coal Sales Co.

10. That petitioner have such other further and general relief as the nature of the case may require and the court deem just.

H. SNOWDEN MARSHALL,
*United States Attorney,*
*Southern District of New York.*

J. C. MCREYNOLDS,
*Attorney General.*
G. CARROLL TODD,
*Assistant to the Attorney General.*
FREDERIC R. COUDERT,
THURLOW M. GORDON,
HOWARD THAYER KINGSBURY,
*Special Assistants to the Attorney General.*

81 EXHIBIT No. 1.

*Agreement between G. B. Markle & Company and Lehigh Valley Coal Company.*

This agreement, made this thirtieth day of December, A. D. one thousand eight hundred and eighty-nine (1889), between William Lilly, of Mauch Chunk, Carbon County, Pennsylvania; E. P. Wilbur, of South Bethlehem, Northampton County, Pennsylvania; G. B. Markle, of Portland, Oregon; John Markle, Alvan Markle, Clora Markle, and Ida Markle, all of Hazleton, Luzerne County, Pennsyl-

vania, trading under the firm name of G. B. Markle and Company, of the first part, and the Lehigh Valley Coal Company of the second part.

The said parties of the first and second parts for and in consideration of one dollar to each of them in hand paid, receipt of which is hereby acknowledged, as well as for other valuable considerations and of the mutual covenants herein contained, do hereby covenant and agree as follows, to wit:

First. The party of the first part will at all times during the period from January first, eighteen hundred and ninety (1890), until January first, nineteen hundred and twenty (1920), mine coal from all the lands and properties in Luzerne County, Pennsylvania, which they hold in fee simple and by leases, said mined coal to be prepared for market in a thoroughly merchantable manner, and so far as possible will arrange the machinery for such preparation as to produce coal in such proportions as to sizes as may be demanded by the general condition of the market for coal from time to time during the continuance of this agreement, and will consign for sale to the party of the second part (upon the terms hereinafter stated) all the coal mined and prepared for market by the party of the first part from the lands aforesaid, and the party of the second part covenants and agrees to receive said coal and use its best endeavors to sell the same: Provided, however, that the party of the first part may without so consigning sell their coal direct to the Lehigh Valley Railroad Company and for local consumption at Hazleton and Jeddo and their immediate vicinities. The said party of the first part hereby further agree that if at any time they should ship coal upon the order of the party of the second part which is not in merchantable condition, and which shall require to be reprepared, the cost of putting such coal in proper condition shall be charged to the said party of the first part, provided the party of the first part is first notified in writing of any such coal not being in merchantable condition and a reasonable time given them to examine and dispose of such coal if they so desire.

Second. The party of the second part will, during the continuance of this agreement, use its best endeavors to keep the collieries of the party of the first part supplied with orders from the various markets in such proportions as to sizes, including lump coal, as the condition of the market may from time demand, and in order to give the said collieries the full benefit of any reputation that may now have or hereafter attain, the party of the second part hereby agrees that it will keep such coal as may be shipped by the party of the first part under this agreement separate and apart, and will designate it upon circular price list by such name as may be mutually agreed upon.

Third. The party of the second part will place on every order sent the party of the first part for direct shipments in cars from mines to consignee the price at the mines for each size of coal on such orders; the party of the first part having the right to accept or reject the price named in any such orders, and of all such orders, the price for which shall be accepted by the party of the first part, the party

of the second part hereby guarantees the payment at the prices so marked on each order or part of order filled by the party of the first part: Provided, however, that in cases where shipments are refused by the consignee for any cause, after the party of the second part has used its best endeavors to procure their acceptance (which it agrees to do), and have to be resold by the party of the second part, or for any cause beyond the control of the party of the second part it is unable to realize the prices noted on the mine order, the party of the first part will consider and treat the sale of such shipments as new sales, and the party of the second part may settle accordingly: Provided, always, that the party of the first part may fix the price to be realized on such resales. The said party of the first part further covenant and agree that upon such sales of coal as may be made by them to parties other than the party of the second part, they will assume all risk and will not call upon the said party of the second part to guarantee same. The said party of the second part will hold the party of the first part harmless from all damages that may arise from the nonfulfillment of all orders of the party of the second part accepted by the party of the first part and not shipped by reason of strikes, accidents, or other causes that the party of the first part do not control: Provided, that upon the resumption of mining by the party of the first part, if the parties ordering
83 still insist upon holding the party of the second part liable for the coal ordered by them, then the party of the first part will fill said orders. The party of the second part will at all times during the continuance of this agreement pay such tolls and freights as may from time to time be demanded by the Lehigh Valley and other railroad companies upon coal shipped by the party of the first part upon the orders of the said party of the second part from lands aforementioned: Provided, however, that nothing herein contained shall be construed as requiring the said party of the second part to pay said tolls and freights for any longer time than the continuance of this agreement.

Fourth. Settlements for the shipments of coal made by the party of the first part to the party of the second part shall be regulated as follows, to wit:

(A) All shipments by the party of the first part upon the orders of the party of the second part to be settled monthly at the prices so marked upon the orders or otherwise as herein provided, less a commission of twelve and one-half (12½) cents per ton.

(B) All shipments of coal made by the party of the first part to "stocking points" of the Lehigh Valley Railroad Company (such stocking points to be agreed upon from time to time by the parties to this agreement) shall be settled for at prices realized for the coal at such points less the tolls and shipping expenses charged by the railroad or the transportation companies carrying said coal and less a commission of twelve and one-half (12½) cents per ton; and the prices for coal shipped by the party of the first part to the aforementioned stocking points shall be maintained at such rates as may be mutually agreed upon from time to time.

(C) All settlements for the sale and delivery of coal shall be made upon the twentieth (20th) of each month for the business of the previous month; and an interest account shall be maintained which shall be computed upon the cash credits and charges as they may stand upon that date and at such rates as may be agreed upon from time to time.

Fifth. It is further mutually convenanted and agreed that should the market at any time assume such a position that the product from the mines of the party of the first part can not be sold at the prices fixed or established as aforesaid by the party of the first part, the party of the second part may demand that the party of the first part shall, and the party of the first part hereby agree that they will, curtail the output from said collieries in such a manner as may be rendered necessary by the condition of the market for coal from the aforesaid collieries, provided that they shall not be asked to cur-
84 tail except in proportion with miners of similar coal shipping to the party of the second part; and provided further, that in case the party of the first part is asked by the party of the second part to curtail their shipments to a greater extent than their proportion with miners shipping similar coal to the party of the second part, that then the said party of the first part shall be free to sell their coal in the general market.

Sixth. It is further mutually understood and agreed that the foregoing agreement shall remain in full force from January first, eighteen hundred and ninety (1890), until January first, nineteen hundred and twenty (1920).

Seventh. All the covenants and agreements herein contained shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

In witness whereof the said parties of the first part have hereunto set their hands and seals, and the said party of the second part has caused its corporate seal, duly attested, to be hereunto affixed, the day and year first above written.

(Sig.) Wm. Lilly. [SEAL.]
" E. P. Wilmer. [SEAL.]
" Geo. B. Markle. [SEAL.]
" Jno. Markle. [SEAL.]
" Alvan Markle. [SEAL.]
" Cloda Markle. [SEAL.]
" Ida Markle. [SEAL.]
" G. B. Markle & Co. [SEAL.]

The Lehigh Valley Coal Company,
(Sig.) By Chas. Hartshorne, *Vice Pres't.*

[SEAL.] Attest:
(Sig.) Jno. R. Fanshawe, *Sec'y.*

Signed, sealed, and delivered in the presence of—
(Sig.) R. M. Gummere, as to all except Alvan Markle.
As to Alvan Markle—
(Sig.) W. H. Smith, Jr.

85 EXHIBIT No. 2.

*Lease by Lehigh Valley Railway Co. to Yates-Lehigh Coal Co.*

This agreement, made the first day of April in the year one thousand and nine hundred and nine (1909), between the Lehigh Valley Railway Company (hereinafter called the lessor), of the first part, and Yates-Lehigh Coal Co. (hereinafter called the lessee), of the second part, witnesseth, That the said lessor has let and demised and by these presents does let and demise unto the said lessee all that certain piece of land, together with the coal trestle and other buildings thereon erected, situate in the city of Buffalo, Erie County, New York, described as follows: Beginning at a point on the east line of Louisiana St. being 20 ft. south from the centre of Buffalo div. of the railway of the lessor, thence east parallel and 20 ft. south from said centre line 362 ft.; thence south along westerly line of Hayward St. 125 ft.; thence west 363 ft.; thence north along the easterly line of Louisiana St. 121 ft. to beginning. Containing 1.05 acres, shown in yellow on R. E. D. map city of Buffalo, scale 1"—50 ft., attached and made a part hereof.

For the term of one year from the first day of April, one thousand nine hundred and nine (1909) (unless sooner terminated, as hereinafter provided), at the annual rent or sum of two hundred and fifty dollars ($250.00), to be paid in advance in equal quarterly instalments.

Together with all taxes and assessments that may be levied against any property of the said lessee placed or erected upon said premises.

To have and to hold the said premises to the said lessee to and for the use of the said lessee for and during the said term (or other period of occupation under the provisions hereof), yielding and paying therefor and thereout the said rent reserved as aforesaid; and the said lessee hereby covenants and agrees to and with the lessor as follows, viz:

First. To pay to the lessor the rent reserved and taxes as aforesaid as the same become due.

Second. Not to assign this lease, in whole or in part, nor to underlet the demised premises, or any part or portion of the same, without the written consent of the lessor first had and obtained.

Third. To waive, and the said lessee hereby does waive, all right to the benefit of any existing law or laws hereafter to be made exempting personal property from distress and sale for arrears of rent.

Fourth. Not to use or occupy said premises for any other
86 purpose than as a coal trestle and yard, and not to sell or permit the sale of any vinous, spirituous, or malt liquors thereon.

Fifth. The lessee agrees to keep the premises herein demised in good order and repair, and to deliver up peaceable possession thereof to the lessor immediately upon any termination of the tenancy hereunder in as good order as the same now are, reasonable wear and tear

excepted, whether such termination be by expiration of the term or by reason of notice given by the lessor as hereinafter provided, either before or after the exipration of the said term, or otherwise howsoever.

Sixth. The lessor expressly reserves the right to terminate this lease upon written notice of not less than thirty days, with or without assigning any reason therefor. Any notice of termination by the lessor shall be good if served personally upon the lessee or posted upon the leased premises. If the lessee shall *shall* fail to remove any material, building, or improvements lawfully belonging to and removable by said lessee within the time prescribed by any notice of termination hereof or before the stated termination of this lease, the lessor may appropriate the same to its own use without allowing any compensation therefor, or may remove the same at the expense of the lessee.

Seventh. If the lessor shall permit the lessee to remain in possession of the above premises after the expiration of the above-stated term, than the said lessee shall occupy said premises subject to all the terms, covenants, and conditions hereof, expressly including the right of termination hereinbefore reserved to the lessor.

Eighth. If the lessee shall violate any covenant of this lease, or if the said premises shall be used for any other purpose than as above stated, or if the said premises shall become vacant during the said term, or in the event of the termination of this lease by expiration of the term or after notice as aforesaid, the lessor may reenter upon the demised premises as of its first and former estate, and may put out and remove the lessee from the same, without further notice and without any liability to the said lessee or to anyone for so doing.

Ninth. In case the lessor shall at any time exercise its right to terminate this lease without breach of covenant on the part of the lessee, any rent paid in advance shall be refunded to the lessee for that portion of the term unexpired at the time the lessor enters upon and repossesses itself of the above-described premises.

Tenth. It is understood by both parties hereto that the above-described premises are in dangerous proximity to the tracks and other property of the Lehigh Valley Railroad Co. and that there is danger of injury or destruction by fire or other causes incident to the
87 operation of a railroad. The party of the second part accepts this lease subject to such danger, and in consideration of the low rental herein reserved agrees to and does remise, release, and quitclaim the lessor from all claims or actions for damages arising from the construction, location, or operation of the said railroad and its appurtenances.

Eleventh. In consideration of the low rental herein reserved, the said lessee hereby covenant and agree during the continuance of this lease to ship or cause to be shipped over the railroad system of the Lehigh Valley Railroad Company and over connecting and forwarding transportation lines preferred by it, to the exclusion of all other

means of transportation whatsoever, and in such manner as to give the said railroad company the long haul, all the freight, the shipment of which the said lessee can control or influence, shipped from the above-described premises to its ultimate destination, or shipped from its point of departure to the said premises; provided always, that the freight rates on such shipments be as low as the rates charged to other shippers by the said railroad company for like contemporaneous service.

Twelfth. The lessor expressly reserves from the within lease the engine house and power plant and also one pocket in the trestle for the storage of coal for said engine house and power plant, together with the right of ingress and egress to and from the said coal pocket, and also reserves the shed or building now used for the storage of stationery and records.

It is understood and agreed that the lessor will place loaded cars on said trestle at the request of the said tenant at a charge of 1 cent (1 cent) per ton of coal.

Any waiver at any time of the rights of the lessor as to anything herein contained shall not be deemed a waiver of any breach of covenant or other matter subsequently occurring.

All rights and liabilites herein given to, or imposed upon, either of the parties hereto shall extend to the heirs, executors, administrators, successors, and assigns of such party.

In witness whereof, the said parties hereto have duly executed these presents the day and year first above written.

Sealed and delivered in the presence of—

THE LEHIGH VALLEY RAILWAY COMPANY,
By GEO. H. FOSTER, *Real Estate Agent.*
YATES-LEHIGH COAL CO.,
HARRY YATES, *President.*

Witness as to lessee.

BENJAMIN F. DAVIS.

Eleventh and twelfth clauses inserted before the execution and delivery of this lease.

V. A. WHEELER.

88 Supplementary clause to be attached to lease dated April 1st, 1909, between the Lehigh Valley Railway Company and the Yates-Lehigh Coal Company, covering trestle at Louisiana Street, Buffalo, New York.

The Lehigh Valley Railway Company, lessor to the within lease, hereby consents that the Yates-Lehigh Coal Company, the lessee herein, may place false bottoms in four of the pockets in the coal trestle covered by the within lease for the purpose of handling bituminous coal, provided that all such alterations shall be made at the sole cost and expense of the lessee, and the lessee hereby agrees to remove at its own sole cost and expense said false bottoms and restore

the trestle to its present condition either upon expiration of the term or upon receiving thirty days' notice so to do from the lessor.

LEHIGH VALLEY RAILWAY COMPANY.
By GEO. H. FOSTER,
*General Land & Tax Agent.*

YATES-LEHIGH COAL COMPANY.
By HARRY YATES, *President.*

BUFFALO, N. Y., Nov. 2nd, 1912.
NEW YORK, October —, 1912.

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EXHIBIT No. 3.

*Contract dated Mar. 1, 1912, between Lehigh Coal Co. and Lehigh Coal Sales Co.*

This contract, made and entered into the first day of March, in the year one thousand nine hundred and twelve, between the Lehigh Valley Coal Company, a corporation of the State of Pennsylvania (hereinafter called the mining company), party of the first part, and the Lehigh Valley Coal Sales Company, a corporation of the State of New Jersey (hereinafter called the sales company), party of the second part, witnesseth:

Whereas, the mining company is the owner and lessee of certain coal lands and collieries situate at various points in what is known as the anthracite region in the State of Pennsylvania, and has been engaged both in mining the coal from said coal lands and in preparing and selling the same, and in like manner has sold large amounts of coal purchased by it in said State of Pennsylvania;

And whereas, the mining company, in order to suitably handle, dispose of, and sell its coal, has constructed and leased storage plants, docks, and trestles, and other structures at various points in different States, and has entered into various agency and sales contracts;

And whereas, the said mining company desires, within the State of Pennsylvania, to sell and dispose of all of its coal;

And whereas, the sales company is desirous, except as hereinafter provided, to enter into a contract to purchase, in the State of Pennsylvania, all of the mining company's coal at the mines and collieries where the same is and shall be mined and prepared, in such way and manner as that, at said mines and collieries, it shall become the absolute owner thereof;

And whereas, in order that it may better transport the same, when it shall thus have become the owner thereof, to such points as it may see fit, it desires to become the lessee of the mining company, of various of its storage plants, docks, trestles, offices, and other facilities, and assume its present selling agency and sales contracts;

Now, therefore, in consideration of the premises and of the sum of one dollar ($1) by each of the said parties unto the other in hand

well and truly paid at and before the ensealing and delivery
90 of these presents, the receipt whereof is hereby acknowledged, and in further consideration of the mutual covenants herein contained, it is agreed by and between said parties as follows, to wit:

First. The mining company agrees to sell to the sales company and the sales company agrees to buy of the mining company all mined marketable coal wherever situated now owned by the mining company and either stored, held at various points, or in the course of transportation, and on hand at midnight on the twenty-ninth day of February in the year one thousand nine hundred and twelve, except such coal as the mining company shall elect to retain for its use in the conduct of its business as hereinafter provided for. The sales company shall pay the mining company therefor in cash within thirty days of the date hereof as follows, namely:

For all the coal in transit at prices to include the full tariff charges of the transporting company and of all other carriers whose charges have been incurred or paid by the transporting company for the transportation of such coal from the mines, together with the market value thereof at the mines as fixed herein at prices prevailing for the month of February, one thousand nine hundred and twelve.

For prepared sizes of coal stored at points west and north of Buffalo, N. Y., the sum of five dollars and seventy-five cents ($5.75) per gross ton.

For prepared sizes of coal stored at Buffalo and at points east thereof the sum of four dollars ($4) per gross ton.

For sizes smaller than prepared sizes stored at all points, not including that stored at or about the mines of the mining company, the sum of one dollar and twenty-five cents ($1.25) per gross ton.

There shall be an equitable adjustment between both parties hereto of the taxes for the year one thousand nine hundred and twelve assessed or to be assessed against such stored coal.

The sales company hereby assumes and agrees to pay all unpaid charges of every nature incurred in connection with the storage of said coal, and hereby assumes all risks and obligations in connection therewith from the beginning of the day of date hereof.

Second. The mining company shall lease and sublet to the sales company contemporaneously herewith, at a fair rental and with provisions in the lease that the sales company shall keep the said properties insured and in repair and with such other covenants and provisions as may be proper to protect the interests of the mining company, the following properties:

Hudsondale, storage and reshipping plant, Hudsondale, Pa.
Ransom, storage and reshipping plant, Ransom, Pa.
91 South Plainfield, storage and reshipping plant, South Plainfield, N. J.
Wyoming, storage and reshipping plant, Wende, N. Y.
Calumet, storage and reshipping plant, Chicago, Ill.
Chicago Avenue, storage and reshipping plant, Chicago, Ill.

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Canal Street, storage and reshipping plant, Milwaukee, Wis.
Superior, storage and reshipping plant, Superior, Wis.
Riverside, coal trestle, Newark, N. J.
Arcade Street, coal trestle, St. Paul, Minn.
Grand Street, coal trestle, Jersey City, N. J.
South Broad Street, coal trestle, Newark, N. J.
Irvington, coal trestle, Newark, N. J.
Rochester, coal trestle, Rochester, N. Y.
Orange Street, retail yard, Newark, N. J.
Water Street, retail yard, Syracuse, N. Y.
22nd Street, retail yard, Chicago, Ill.
31st Street, retail yard, Chicago, Ill.
Colfax Street, retail yard, Minneapolis, Minn.
Franklin Street, retail yard, Minneapolis, Minn.
Clybourne Avenue, coal dock, Chicago, Ill.
Ann Street, retail yard, Chicago, Ill.

The mining company has leased certain facilities, structures, and trestles which it owns and has sublet certain like facilities, structures, and trestles which it holds under leases to different persons, as follows:

Geneva, trestle, Geneva, N. Y. Leased to Frank Dwyer.
Oswego, yard, Oswego, N. Y. Leased to A. H. Mowry.
Walden Avenue Yard, Buffalo. Leased to Yates-Lehigh Coal Company.
59th Street Yard, Chicago. Leased to Lill-Robinson Coal Company.
State Street Yard, Syracuse. Leased to Dalton Coal Company.
Magnolia Street Yard, Syracuse. Sublet to Dawson Coal Company.
Como Avenue Yard, St. Paul. Sublet to Carnegie Fuel Company.
Harrison Street Yard, Minneapolis. Sublet to Power City Fuel & Feed Company.
Western Avenue Yard, Minneapolis. Sublet to Carnegie Fuel Company.

Such of these properties as the mining company owns it agrees to assign its rights as lessor in the leases therefor to the sales company for the life of this contract and subject thereto. Such of its properties as it holds as lessee the mining company agrees to sublet to the sales company its rights as lessee therein and as lessor to other persons for and during the life of such leases, not to extend be-
92 yond the life of this contract, and subject thereto. For these properties the sales company shall pay the mining company the same fair rental provided for the other class of properties hereinbefore enumerated and with like covenants as provided therefor. The mining company agrees to use its best endeavors to secure a renewal to it as lessee of all the said leases in which it is now the lessee that may be terminated during the life of this contract on as favorable terms as possible. The sales company agrees to become the sub-

lessee of all such leases and to assume the obligations thereof and all the covenants to be kept and performed by the lessee thereunder.

It is further agreed as to such properties as are now held by various persons as tenants or sublessees in case of the termination of such tenancy the sales company shall have the right to substitute other persons in their places and to make subleases with such other persons for such length of time as it may desire within the term and period of this contract and subject thereto, provided, however, that the written consent of the mining company is first had and obtained.

The mining company has entered into various agency and sales contracts, which appear in schedule A, hereto attached, and all such contracts shall be assigned by it to the sales company and taken over by the sales company as of the date hereof for the term of such contracts, not to extend, however, beyond the life of this contract and subject thereto. The sales company shall assume all obligations of the mining company with respect thereto and be entitled to the benefits thereof.

Third. The mining company agrees to assign and does hereby assign, transfer, and set over to the sales company all accounts payable for coal sold as they appear upon the books of the mining company, and the sales company hereby agrees to pay to the mining company therefor forthwith. The mining company hereby guarantees the collection thereof so far as they appear on the date of this contract, the guaranty not to cover interest thereon.

Fourth. Whenever in the opinion of the sales company it may become necessary to have additional facilities provided for the transaction of its business, such as storage plants, shipping trestles, docks and retail trestles, or any other structure having to do with the physical handling of the coal, the mining company upon being notified of such necessity may have the same constructed at its, the mining company's, own proper cost and expense, and thereafter it agrees to lease the said facilities unto the sales company and the sales company agrees to enter into lease therefor; the rental to be a sum equal to 4½ per cent net of the cost of such additional facilities. If the mining company does not proceed upon notice as aforesaid to
93 have the said additional facilities constructed, then the sales company shall have the right to have the same constructed at its, the sales company's, own expense, and such construction so provided by the sales company shall thereafter be the property of the sales company; it is agreed, however, that the mining company shall at any time have the right to purchase and acquire such additional facilities constructed by said sales company upon one month's notice in writing given to said sales company for that purpose, and unless the parties can agree upon the value thereof the same shall be referred to arbitrators under the arbitration clause hereinafter set forth. In such event the sales company agrees to at once lease the same from the mining company for the term of this contract, and subject thereto, the rental therefor to be 4½ per cent net of the value of such additional facilities.

In case the sales company finds it necessary to improve or enlarge the facilities now or hereafter leased to it by the mining company for the transaction of its business, such as storage plants, shipping trestles, docks, and retail trestles, or any other structure leased to it by the mining company and having to do with the physical handling of the coal, or to erect new structures of any kind on such leased premises, the said mining company may, upon being notified of the necessity therefor, make such improvements and enlargements or new structures at its own cost and expense, and thereafter an addition to the rentals provided for in such lease or leases shall be paid by the sales company that shall equitably represent the value of the property thus improved or enlarged, the sum to be paid as rental to be 4½ per cent net of such value. This is not to apply to ordinary repairs and renewals that are to be made by and at the expense of the sales company. If the mining company does not proceed, upon notice as aforesaid, to provide for such enlargements and improvements, then the sales company shall have the right to make the same, provided, however, that thereafter such improvements and enlargements shall be and become the property of the mining company.

Fifth. Subject to the conditions and reservations hereinafter stated and at the prices hereinafter named, the mining company agrees during the term of this contract to sell to the sales company all coal hereafter mined by it from all coal lands owned or leased by it, together with all coal it may purchase. The sales company agrees to purchase and take all such coal at the prices hereinafter named and to pay the mining company therefor in cash in the manner hereinafter provided for. All coal shall be delivered to the sales company by the mining company f. o. b. cars at the mines where the coal is mined and prepared. Deliveries shall be made from time to
94 time as called for by the sales company. The sales company shall give on the twenty-fifth of each month notice of the quantity, as nearly as practicable, the sales company will require for the next month and arrange to take the coal in as nearly equal daily or weekly quantities as the requirements of the market will permit. The sales company shall use its best efforts to give orders for deliveries which will enable the mining company to work its collieries as many days in each year as possible.

Sixth. The sales company agrees to use its best efforts to develop trade and increase its sales and widen its markets for the coal, and the mining company agrees to use its best efforts to increase its production and deliveries to the sales company of said coal, whether from its own mines or the coal it may purchase. The mining company, however, shall be subject to no liability in case of a failure to supply the full demands of the sales company, if such demands shall be beyond the reasonable capacity of the mining company to produce or if the mining company shall be prevented, by reason of any strikes amongst its employees, or by reason of injury to its mines, breakers, works, buildings, fixtures, or facilities, or for other cause

beyond its ability to control. If by reason of any strikes among the employees of the sales company, or by reason of injury to the works, buildings, fixtures, handling facilities, or other property of the sales company or any property of the railroad company or companies by which the coal is transported to markets, the sales company shall be unable to take the coal as herein agreed, the sales company shall not be liable for nonfulfillment of this agreement during the period of such disability, provided every reasonable effort be made by the sales company to remove such disability at the earliest practicable period. The purpose and intent of this contract is to insure all reasonable efforts on the part of the mining company to prepare and furnish to the sales company all the coal that it can reasonably arrange to deliver, either from its own mines or by purchase, and on the part of the sales company to give its undivided attention to developing and increasing the sales of coal delivered to it in the future by the mining company such increase in quantity as it is hoped the mining company may be able to furnish and deliver. So long as the mining company is ready and willing to deliver to sales company coal under this contract, sales company shall sell no other coal or fuels for itself or for any other persons outside of that which will require to be sold to comply with the terms of the existing hereinbefore recited sales agency and other sales contracts of mining company. In connection with its yards at certain places, and to conform to trade conditions,
95 the sales company may, however, purchase, handle, and sell bituminous coal to such extent as is absolutely necessary in order to maintain and develop its trade in the coal covered by this contract, the bituminous coal, however, to be handled by the sales company not to exceed three hundred thousand (300,000) tons annually; and it is permitted to deal in bituminous coal only because of the necessity to handle certain quantities thereof in order to retain its customers for the coal covered by this contract. The sales company hereby agrees not to purchase, handle, and sell any larger quantity of bituminous coal than is absolutely essential to enable it to take care of its business, as above set forth.

The mining company reserves the right to retain all coal required by it for its own use, this to include the right to stock such quantity of coal of various sizes as it may deem desirable, anticipating suspensions or other interferences with mining operations, or for any other purpose it sees fit, among others, the necessary amount for the operations of its mines, maintenance and operations of its pumps, etc., as well as all coal which it may desire to retain for the use of the Lehigh Valley Railroad Company for the operation of its owned, leased, and controlled lines in the conduct of its or their business as common carriers.

It is understood and agreed that the mining company shall have the right to sell and dispose of at retail on its own account coal for the use and consumption of its employees. It may sell at retail to others in the immediate neighborhood of the mining company's collieries, provided that the coal so sold and disposed of shall not in

any event be loaded in railroad cars but shall be hauled from the mining company's collieries by wagon; and the mining company shall retain such coal as is necessary to fulfill its obligations with its lessors.

It is understood and agreed by the parties hereto that during the life of this contract there may be times when it will be of advantage to the mining company, and not to the disadvantage of the sales company, that the mining company shall have the right to sell, lease, or exchange some of its coal properties or coal leases; and it is hereby agreed that as and when such occasion arises the mining company shall have the right to make such sales, leases, or exchanges. The true intent and meaning of this provision is that the mining company shall not exercise such right to sell, lease, or exchange in such manner, or to such extent, as to prevent or impair its ability to keep this agreement with the sales company, but shall only exercise such right in that behalf when the same shall not cause a substantial diminution in deliveries to the sales company of coal mined or purchased by such mining company and hereby agreed to be delivered.

96 Seventh. The sales company agrees to pay and the mining company agrees to accept the following price for said coal when prepared in accordance with the standard hereinafter set forth, and delivered to the sales company f. o. b. railroad cars at the breakers where the same is prepared:

For all sizes above pea coal a sum equal to sixty-five (65) per cent of the general average free on board prices of said sizes received at tide points at or near New York, between Perth Amboy and Edgewater, computed as hereinafter provided.

For pea coal a sum equal to fifty (50) per cent of the general average f. o. b. prices for pea coal at said tide points at or near New York when the said price is two dollars and fifty cents ($2.50) per ton or less, and for each advance of ten (10) cents per ton in the said f. o. b. price above two dollars and fifty cents ($2.50) the proportion paid the mining company shall be increased one (1) per cent until the percentage paid for pea coal reaches sixty-five (65) per cent.

For buckwheat coal No. 1 a sum equal to forty (40) per cent of the general average f. o. b. price at said tide points at or near New York when the said price is two dollars ($2.00) per ton or less, and for each advance of ten (10) cents per ton in the said f. o. b. price the proportionate price paid the mining company shall be increased two (2) per cent until the said f. o. b. price reaches two dollars and fifty cents ($2.50), after which the proportionate price paid the mining company shall advance one (1) per cent for each ten (10) cents advance in the f. o. b. price above two dollars and fifty cents ($2.50) as in the case of pea coal above mentioned. Provided that nothing herein contained shall oblige the sales company to pay for buckwheat No. 1 coal a rate higher than for pea coal.

For all sizes smaller than buckwheat No. 1 the mining company shall receive twenty-five (25) cents per ton f. o. b. railroad cars at breakers, and for each ten (10) cents increase in the general average

f. o. b. price above one dollar and thirty cents ($1.30) a ton at tide the price shall be increased five cents per ton.

It is also agreed that if at any time, through changes of sizes of meshes of screens or of conditions of trade, the sizes smaller than buckwheat No. 1, as described herein, shall be marketable at tide at the same price as buckwheat No. 1, the scale of prices on a basis of forty (40) per cent. when the general average f. o. b. price at tide is two dollars ($2.00) per ton or less, shall be substituted for the flat price at mines herein provided for during the continuance of such conditions.

97 As to the coal mined by the mining company and only as to coal it mines and prepares, from the above-stated prices an allowance shall be made to the sales company with respect to all sizes for the first year of this contract of 7 per cent. for the second year 6 per cent. for the third year 5 per cent. for the fourth year 3 per cent. and for the fifth year 1 per cent.

Eighth. The general average f. o. b. prices herein referred to shall be determined by a disinterested expert accountant satisfactory to both parties, to whom the sales company shall furnish not later than the eighth of each month a statement of the quantity of each size sold during the preceding month and the amount realized therefor by the sales company at tide on all sales of each size of coal from the respective regions; and the accountant each month shall make a true average price for each size sold at tide of all the coal from the same region, and the average price thus obtained shall be furnished by the accountant to the sales company and the mining company, by whom they shall be accepted.

It is understood that when the words f. o. b. price occur herein the actual f. o. b. price received is meant, without any deduction for commissions, demurrage, or other charges.

Ninth. Payments for coal shall be made monthly in cash. A partial payment of at least one dollar ($1.00) per ton shall be made on or before the twelfth (12th) of each month, and the balance on or before the twentieth (20th), for all coal delivered by the mining company under this contract during the preceding calendar month, provided, that if default shall be made by the sales company in any payment aforesaid, the mining company may, at its option, declare this contract forfeited by giving notice of such default for a period of at least ten (10) days, and of its intention to terminate this contract, unless payment shall be made in the meantime; but in case of a like default of payment in the next succeeding month this contract may be peremptorily terminated by the mining company without such notice. It is expressly understood and agreed by and between the parties hereto that no failure or failures on the part of the mining company to enforce the forfeiture herein provided for shall be held or deemed to be a waiver or estoppel to enforce a forfeiture upon the causes herein set forth and in the manner herein provided whenever and so often as a new cause of forfeiture shall arise.

Tenth. All coal delivered under this contract shall be subject in the first instance to inspection under the direction of a chief inspector to be appointed by the mining company, whose duty it shall be to see that the said coal, as well as all other coal coming under his jurisdiction, conforms to the following standard except where meshes of a different size are provided for in existing leases to said mining company, viz:

98 First. The coal shall be practically free from dirt as it leaves the lip screen before entering the car.

Second. The coal shall be well sized and made through and over the following square screen meshes, or their equivalents, viz:

Broken, through a mesh 4 inches square and over a mesh 2¾ inches square.

Egg, through a mesh 2¾ inches square and over a mesh 2 inches square.

Stove, through a mesh 2 inches square and over a mesh 1⅛ inches square.

Chestnut, through a mesh 1¼ inches square and over a mesh ¾ inch square.

Pea, through a mesh ¾ inch square and over a mesh ½ inch square.

Buckwheat No. 1, through a mesh ½ inch square and over a mesh ⅜ inch square.

Buckwheat No. 2 or rice, through a mesh ⅜ inch square and over a mesh ¼ inch square.

None of the above sizes shall contain an admixture of a larger size sufficiently great to render the coal objectionable nor, respectively, a larger proportion of any smaller sizes than is usually present in good merchantable coal; and it is specially agreed that neither egg, stove, nor chestnut coal shall contain more than five (5) per cent of larger sizes; that chestnut coal shall not contain more than ten (10) per cent of pea and five (5) per cent of buckwheat No. 1; nor pea coal more than fifteen (15) per cent of buckwheat No. 1 and five (5) per cent of rice; nor buckwheat No. 1 more than fifteen (15) per cent of rice.

Third. The sizes above mentioned shall in no case contain more than the following percentages of refuse (consisting of slate, rock, and fire clay), viz: Broken, one (1) per cent; egg, two (2) per cent; stove, four (4) per cent; chestnut, an average of not more than five (5) per cent, and at no time to exceed a maximum of seven (7) per cent; pea, ten (10) per cent; buckwheat, fifteen (15) per cent. Nor more than the following percentages of bone (containing a proportion of fixed carbon ranging between forty (40) and sixty-five (65) per cent), viz: Broken, two (2) per cent; egg, two (2) per cent; stove, three (3) per cent; chestnut, five (5) per cent; pea and buckwheat coal shall not contain such proportion of said bone as to reduce the price below the average market price of those sizes. All coal shall be inspected at the breakers where the same is prepared.

The sales company shall have the right to appoint an inspector or inspectors, who shall be afforded every facility for inspecting said coal to ascertain if its preparation is in accord with the stand-
99 ard herein provided for, and if said sales company's inspector shall decide that any particular coal is not in accordance with said standard of preparation he shall immediately take the matter up with the mining company's chief inspector in that district. The sales company shall have the right to decline to take such coal until said inspectors have agreed upon the matter, and upon their failure to agree, until the question has been decided by some disinterested and qualified third person, to be by them selected, whose decision shall be final. The cost and expense of such reference to be borne in equal parts by the parties hereto.

Eleventh. If the conditions of the trade shall at any time or times require a higher standard of preparation than as aforesaid the mining company shall prepare the coal so as to conform to such higher standard, provided that the mining company shall be reimbursed for any increased expense involved.

Twelfth. A ton of coal under this contract shall consist of twenty-two hundred and forty (2,240) pounds, and all coal delivered to the sales company by the mining company under this contract shall be weighed either upon the scales tested and approved by the sales company at the mines where the same is prepared and by weighmasters approved by the sales company or upon the weighing scales of the railway over which it passes on its way to market, and the amount of coal in each car shall be determined by the certificate of the weighmaster at said scales

Thirteenth. The mining company will manifest the coal it delivers f. o. b. cars at its breakers to such points and parties as the sales company shall from time to time direct and furnish and send to the sales company and to the consignees named by the sales company and such other parties as the sales company may direct such notice of manifest and such notice relating to the coal shipped as the sales company may direct. As to the coal the mining company may purchase from other persons and deliver to the sales company a like understanding and agreement will be incorporated in such contracts of purchase, if made in the future as are now in all present contracts.

Fourteenth. The mining company is the vendee under certain coal-purchase contracts, so called. As to these, the coal now or hereafter to be delivered to the mining company is to be delivered by the mining company to the sales company at the mines where the same is mined and prepared. The mining company shall direct that the coal delivered under these contracts shall be manifested to such points and parties as the sales company shall from time to time direct, and shall require the sellers therein to furnish and send to the sales company and to the consignees named by the sales company and such other parties as the sales company may direct such
100 notice of manifest and such notice relating to the coal shipped

as the sales company may direct. The sales company agrees to assume all the obligations to be kept and performed under such contracts on the part of the mining company from and after this date, and for and during the term of this contract and subject thereto. In case of any modifications or changes in such contracts agreed to by the mining company and the sales company during the life of this contract, the sales company agrees to conform to such modifications and changes and to carry out the terms thereof so as to relieve the mining company from any liability therefor or in connection therewith. This is to include cost of inspection now provided for in such contracts.

Fifteenth. It is mutually agreed by and between the parties hereto in consideration of the sum of one dollar by each to the other in hand paid, the receipt whereof is hereby acknowledged, that in the event of any disagreement as to the value of additional facilities constructed by the sales company, which upon notice the mining company may have indicated its desire to purchase and acquire as provided in section fourth, all such differences shall be determined by arbitration by a board of arbitrators to consist of one person selected by the sales company, one person by the mining company, and these two arbitrators shall select a third, and a decision of a majority of such board of arbitrators shall be final, binding, and conclusive upon the parties hereto; and with reference to this provision for arbitration it is hereby further agreed that either of the parties hereto may enter the same in the court of common pleas of any county in the Commonwealth of Pennsylvania in accordance with sections 1 to 7 of the act of General Assembly of the Commonwealth of Pennsylvania approved the sixteenth day of June, A. D. one thousand eight hundred and thirty-six, entitled: "An act relating to reference and arbitration," and the procedure indicated by said act of assembly may be followed and each of the parties hereto may have the benefit of all said provisions for the purpose of making this arbitration agreement binding and conclusive upon the parties.

Sixteenth. This contract shall become effective on the day of the date hereof and shall stand for the full term and period of ten years, subject to the right of forfeiture and cancellation as set forth in section ninth, provided, however, that either party shall have the right to abrogate and cancel the same at any time upon giving to the other six months' written notice under the seal of the company, attested by an executive officer, of its desire so to do, in which event it shall expire at midnight of the last day of the six months named in the notice of cancellation.

101 Seventeenth. This contract does not apply to the bituminous coal the mining company mines from its Snow Shoe properties, all of which coal is now sold to the Lehigh Valley Railroad Company for supply purposes.

In witness whereof the said parties have executed this agreement in duplicate under their respective corporate seals, attested by the

signatures of their duly authorized executive officers, on the day and year aforesaid.

H. J. McQUADE, *Secretary.*

[SEAL.] THE LEHIGH VALLEY COAL COMPANY,
By E. B. THOMAS, *President.*

Attest:

[SEAL.] LEHIGH VALLEY COAL SALES COMPANY,
By J. W. SKEELE, *President.*

Attest:

G. N. WILSON, *Secretary.*

*Schedule A.—Sales contracts.*

Retail yards, consignment:
Olney & Payne, Pawtucket, R. I.
Yates Coal Co., Rochester, N. Y.
C. C. West, Rochester, N. Y.
P. M. Lobas, Milwaukee, Wis.
Rail consignment:
Coal Supply Co., Chicago, Ill.
Geo. Lill & Co., Chicago, Ill.
Water consignment:
Coal Supply Co., Chicago, Ill.
Manitowoc Land & Fuel Co., Manitowoc, Wis.
St. Paul & Western Coal Co., Superior and Duluth.
Pittsburgh & Lehigh Dock Co., Duluth.
Bituminous coal contracts:
Great Nor. Railway Co., St. Paul, Minn.
Chic., St. Paul, Minneap. & Omaha Ry. Co., St. Paul, Minn.
Nor. Pacific Ry. Co., St. Paul, Minn.
Minn., St. Paul & Sault Ste. Marie Ry. Co., St. Paul, Minn.
Sales contracts on 65% basis:
Dickson & Eddy, New York City.
Mill Creek Coal Co., Mauch Chunk, Pa.

102 EXHIBIT No. 4.

*Lease, dated March 1, 1912, by Lehigh Coal Co. to Lehigh Coal Sales Co.*

This agreement, made and entered into this first day of March, in the year one thousand nine hundred and twelve, by and between the Lehigh Valley Coal Company, a corporation of the State of Pennsylvania, hereinafter called the "mining company," party of the first part, and the Lehigh Valley Coal Sales Company, a corporation of the State of New Jersey, hereinafter called the "sales company," party of the second part, witnesseth:

Whereas the mining company owns, leases, or controls, and also operates, various coal-stocking plants, coal-storage plants, coal

trestles and pockets, mentioned and described in a certain schedule A, hereto attached:

And whereas the mining company has also entered into contracts for the sale of coal with the persons, firms, and corporations mentioned in schedule B, hereto attached, which contracts are a part of leases of land and provide for the use by such persons, firms, and corporations of coal trestles, coal pockets, and other facilities owned, leased, or controlled by the mining company, and in the said schedule mentioned and described:

And whereas under date of March first, one thousand nine hundred and twelve, the parties hereto entered into a contract whereby, among other things, it was agreed that the properties mentioned in schedules A and B should be leased and sublet to the sales company by the mining company and that the contracts contained in the leases of the properties mentioned in schedule B should be taken over by the sales company for and during the life of said leases, not to exceed the life of said contract, as lessee and sublessee of the mining company.

Now, therefore, for and in consideration of the covenants and agreements herein contained to be kept and performed by the parties hereto, respectively, it is agreed between them as follows:

First. The mining company agrees to lease and demise, or sublease and demise, as the case may be, and does by these presents lease and demise, or sublease and demise, unto the sales company, and the sales company agrees to take, and does hereby take, of the mining
103 company as lessee or sublessee, as the case may be, for and during the term and period of the said contract of March 1, 1912, and subject thereto, and subject also to the terms, covenants, and conditions of the several leases to the mining company, for the purpose of handling, shipping, storing, and selling of coal, all the coal storage, coal shipping plants, coal trestles, coal pockets, piers, and docks set forth on schedule A, hereto attached, together with all machinery and appliances used in connection therewith.

Second. The mining company agrees to lease and demise, or sublease and demise, as the case may be, and does by these presents lease and demise, or sublease and demise, unto the sales company, and the sales company agrees to take, and does hereby take, of the mining company as lessee or sublessee, as the case may be, for and during the term and period of said contract of March 1, 1912, and subject thereto, and subject also to the terms, covenants, and conditions of the leases to the mining company, for the purpose of handling, storing, shipping, and selling of coal, all the coal-storage and coal-shipping plants, coal trestles, coal pockets, piers, and docks set forth in schedule B, hereto attached, together with all machinery and appliances used in connection therewith. The properties enumerated on said schedule B have been leased by the mining company to sundry persons, firms, and corporations with a provision in said leases concerning the sale of coal; the mining company assigns to the sales company the said contracts for the sale of coal so incorporated in

said leases and the sales company accepts the said properties under and subject to said outstanding leases to said third parties and to the sales contracts incorporated therein, and agrees to carry out and perform the terms, covenants, and conditions thereof; all rents, issues, and profits, sums of money, rights, privileges, and benefits which shall accrue under the leases of the properties enumerated in schedule B, during the term of this contract and subject thereto, shall accrue to and belong to the sales company.

Third. The sales company does further covenant and agree as follows:

That for and in consideration of the leases and assignments to it made by the mining company, as hereinbefore set forth, it will pay to the mining company at the office of its treasurer in the city of New York the annual sum of one hundred and eighty thousand dollars ($180,000) in equal quarterly instalments payable on the first days of June, September, December, and March of each year.

That it will pay all taxes levied upon the premises hereby leased or subleased to it and the improvements thereon and the coal and other taxable personal property now or hereafter located thereon, in all cases where the mining company, if this lease had not been made, would be obliged to pay such taxes.

104 Fourth. In case the sales company finds it necessary to improve or enlarge the facilities now or hereafter leased to it by the mining company for the transaction of its business, such as storage plants, shipping trestles, docks, and retail trestles, or any other structures leased to it by the mining company and having to do with the physical handling of the coal, the said mining company may, upon being notified of the necessity therefor, make such improvements and enlargements at its own cost and expense, and thereafter an addition to the rentals provided for in such lease or leases shall be paid by the sales company that shall equitably represent the value of the property thus improved or enlarged. The sum to be paid as rental to be 4½ per cent of such value. The mining company shall, within sixty days after notification by the sales company, notify the sales company whether or not it will proceed with the construction of such improvements or enlargements under the provisions hereof. This is not to apply to ordinary repairs and renewals that are to be made by and at the expense of the sales company. If the mining company does not proceed, upon notice as aforesaid, to provide for such enlargements and improvements, then the sales company shall have the right to make the same, provided, however, that thereafter such improvements and enlargements shall be and become the property of the mining company.

If it shall become necessary to replace or reconstruct any structure erected upon premises enumerated in schedules A and B or any substantial portion of any of them because the same has been destroyed by fire, lightning, or other causes, the mining company shall promptly make such replacements and reconstructions, and thereupon, and

from thenceforth, the sales company shall pay to the mining company, as annual rental for the premises affected by such replacement, a sum equal to four and one-half per cent (4½ per cent) on the agreed value, at the time of the completion of such construction, of such demised premises. And in case the mining company does not promptly proceed to make such replacements or reconstructions, then the sales company shall have the right so to do; such replacements or reconstructions are thereafter to be and become the property of the mining company. In case of destruction by fire, lightning, or other cause of any of the premises herein demised an equitable adjustment of the rental hereinbefore provided for shall be made between the parties hereto during the time required for the replacement and reconstruction of such structures.

Should the parties fail to agree upon the value of such reconstructions as may be erected upon the premises as provided for in this paragraph described in schedules A and B as provided above, the same shall be arbitrated in the manner provided for settle-
105 ments of disputes arising under a certain contract made by and between the parties hereto, dated March first, one thousand nine hundred and twelve, and by arbitrators chosen in the manner therein provided.

Fifth. Where under the terms of the existing leases or contracts the mining company is obligated to keep in repair any properties described in schedules A and B the sales company shall assume that obligation and keep such properties in good repair at its own expense. Where under the terms of the existing leases or contracts the obligation of keeping in repair any properties described in schedule B rests upon the tenant in possession and occupation thereof the sales company assumes that obligation and agrees with the mining company that such properties shall be kept in good repair at its expense, the intent being that while the sales company may look to the tenant to comply with such obligations, such obligations as between the sales company and the mining company shall rest upon the sales company.

Sixth. Should either of the parties hereto desire to effect the sale of any property referred to in this agreement, or to discontinue the use of same for the purposes contemplated by this agreement, and the parties hereto mutually agree in writing to release such property from the conditions of this agreement, the sales company shall thereupon assign, transfer, and set over to the mining company the leases of said property, and shall quit and surrender the premises therein demised, and thereafter the rental herein named to be paid by the sales company to the mining company shall be diminished by a sum which shall equitably represent the rental applicable to the premises so reassigned and surrendered.

Seventh. The sales company further agrees that it will, at its expense, keep the structures upon the premises described in schedule A, and also the structures upon the premises described in schedule B which are owned by the mining company, fully insured for the benefit

of the mining company, against loss by fire, in some solvent insurance company or companies to be approved by the mining company.

That it will not make any alterations in or addition to any existing buildings, piers, docks, trestles, coal pockets, or other structures upon any of the premises by this agreement demised, nor erect nor allow to be erected or placed upon said premises any building or structures of any kind without the written consent of the lessor.

That it will not use or occupy, nor allow the property herein demised to be used or occupied, for any purpose other than the purpose for which the same is demised as hereinbefore provided.

That it will allow no nuisance to be erected on any of the premises herein demised, and that it will in the use and occupation of the said property conform in all respects to the laws of the United
106 States, of the respective States in which the same is situated, and the ordinances and regulations of the municipalities wherein the same is located.

That it will not assign any of the contracts and leases herein granted, nor sublet the premises demised or any part thereof, nor make any new lease of any part of any of the premises herein demised, nor assign or renew any existing lease of any part of said premises, or any contract permitting the use of said premises, without the written consent of the mining company.

That it will at the termination of this agreement assign, transfer, and set over to the mining company any and all leases and contracts then existing affecting the use, occupation, or enjoyment of any of the premises or property herein demised.

That at the termination of this contract it will quit and surrender all the premises herein demised and sublet in as good condition and working order as they are in at present, making from time to time, at its own expense, such alterations, additions, and renewals as will enable it to surrender in such good condition and working order not only the premises herein demised, but any and all additions and improvements made thereto under the terms hereof.

That it will indemnify and save harmless the mining company of and from any and all actions or causes of action, loss, damage, cost, or expense which may arise, grow out of, or result from any injury to persons, though the same may result in death, or any injury to or loss of property occurring on the demised premises while in the use and occupancy of the sales company, unless such personal injury or injuries to or loss of property is due to the sole negligence of the mining company, its servants, or agents.

Eighth. This agreement shall become effective on the day of the date hereof, and shall continue for and during the life of the written contract of March first, one thousand nine hundred and twelve, made between the parties hereto. Upon the forfeiture or cancellation of said last-named contract this lease and the terms thereof shall terminate and end.

Ninth. It is mutually agreed that this agreement shall bind the successors and assigns to the parties hereto.

In witness whereof the parties hereto have hereunto caused their corporate names to be signed and their corporate seals to be affixed the day and year first above written.

[SEAL.] THE LEHIGH VALLEY COAL COMPANY.
By (Signed) E. B. THOMAS, *President.*
Attest:
(Signed) H. J. McQUADE, *Secretary.*

[SEAL.] LEHIGH VALLEY COAL SALES COMPANY.
By (Signed) J. W. SKEELE, *President.*
Attest:
(Signed) G. N. WILSON, *Secretary.*

*Schedule A.*

| | | | | | |
|---|---|---|---|---|---|
| Hudsondale | Storage and reshipping plant, | | | | Hudsondale, Pa. |
| Ransom | " | " | " | " | Ransom, Pa. |
| South Plainfield | " | " | " | " | South Plainfield, N. J. |
| Wyoming | " | " | " | " | Wende, N. Y. |
| Calumet | " | " | " | " | Chicago, Ill. |
| Chicago Avenue | " | " | " | " | Chicago, Ill. |
| Canal Street | " | " | " | " | Milwaukee, Wis. |
| Superior | " | " | " | " | Superior, Wis. |
| Riverside | Coal trestle, | | | | Newark, N. J. |
| Arcade Street | " | " | | | St. Paul, Minn. |
| Grand Street | " | " | | | Jersey City, N. J. |
| South Broad Street | " | " | | | Newark, N. J. |
| Irvington | " | " | | | Newark, N. J. |
| Rochester | " | " | | | Rochester, N. Y. |
| Orange Street | Retail yard, | | | | Newark, N. J. |
| Water Street | " | " | | | Syracuse, N. Y. |
| Twenty-second Street | " | " | | | Chicago, Ill. |
| Thirty-first Street | " | " | | | Chicago, Ill. |
| Colfax Street | " | " | | | Minneapolis, Minn. |
| Franklin Street | " | " | | | Minneapolis, Minn. |
| Clybourne Avenue | Coal dock, | | | | Chicago, Ill. |
| Ann Street | Retail yard, | | | | Chicago, Ill. |

*Schedule B.*

Geneva, trestle, Geneva, N. Y. Leased to Frank Dwyer.
Oswego, yard, Oswego, N. Y. Leased to A. H. Mowry.
Walden Avenue Yard, Buffalo. Leased to Yates-Lehigh Coal Company.
Fifty-ninth Street Yard, Chicago. Leased to Lill-Robinson Coal Company.
State Street Yard, Syracuse. Leased to Dalton Coal Company.
Magnolia Street Yard, Syracuse. Sublet to Dawson Coal Company.
Como Avenue Yard, St. Paul. Sublet to Carnegie Fuel Company.

Harrison Street Yard, Minneapolis. Sublet to Flour City Fuel & Feed Company.

Western Avenue Yard, Minneapolis. Sublet to Carnegie Fuel Company.

(Indorsed:) U. S. District Court, S. D. of N. Y. Filed Mar. 18, 1914.

108 In the District Court of the United States for the Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*v.*
LEHIGH VALLEY RAILROAD COMPANY ET AL., defendants. } In Equity, No. 11–129.

Separate answer of the Lehigh Valley Railroad Company.

Edgar H. Boles, John G. Johnson, solicitors for defendant.

109 In the District Court of the United States, Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*v.*
LEHIGH VALLEY RAILROAD COMPANY, THE LEHIGH VALLEY COAL COMPANY, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Rail Road Company, New York and Middle Coal Field Railroad and Coal Company, The G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbitt, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants. } In Equity, No. 11–129.

*Separate answer of the Lehigh Valley Railroad Company to original petition.*

The Lehigh Valley Railroad Company makes answer to the original petition in this cause, saving and reserving to itself
110 all benefit and advantage of exceptions to the manifold errors, uncertainties, and insufficiencies in the said original petition contained:

I.

This defendant denies that it is party to any combination and conspiracy, or either, to restrain and monopolize interstate and foreign trade and commerce in anthracite, or attempting to monopolize or monopolizing any part of such trade and commerce in viola-

tion of the act of Congress of July 2, 1890, entitled "An act to protect trade the commerce against unlawful restraints and monopolies."

This defendant denies that it is transporting in interstate and foreign commerce anthracite (not necessary or intended for its own use as a common carrier) mined by it or under its authority and in which it has an interest, direct or indirect, in violation of that portion of section 1 of the act of Congress entitled "An act to regulate commerce," as amended June 29, 1906, known as the commodity clause, and denies that it is transporting any anthracite in any way in furtherance of any combination and conspiracy, or either, or attempt to monopolize.

II.

(1) (a) This defendant admits that it is a corporation of the Commonwealth of Pennsylvania and was incorporated on September 20, 1847, under the name of "Delaware, Lehigh, Schuykill and Susquehanna Railroad Company" under a statute enacted April 21, 1846 (P. L., 422), entitled "An act to authorize the governor to incorporate the Delaware, Lehigh, Schuykill and Susquehanna Railroad Company," and by a supplement to the statute aforesaid, enacted January 7, 1853 (P. L., 1), the name of this defendant was changed to "Lehigh Valley Railroad Company." The first portion of said railroad was constructed between the cities of Easton
111 and Mauch Chunk, a distance of 45.7 miles, the location being made in the year 1852 and the road being opened for service in 1855.

The road was opened for the transportation of passengers from South Easton to Allentown, June 11, 1855, and two trains ran daily to the latter place until September 12, when the road was opened for travel to Mauch Chunk, one train a day being run until the first of October.

Said statute of April 21, 1846, authorized this defendant to construct and maintain a railroad in the Commonwealth of Pennsylvania by certain routes and locations therein specified, and conferred upon the defendant certain powers, privileges, and franchises therein enumerated and expressed.

The routes and location of said railroad and the corporate powers, privileges, and franchises of the defendant were thereafter extended and amended by statutes of the Commonwealth of Pennsylvania supplementary to said act of incorporation, enacted, respectively, March 20, 1849 (P. L., 203); April 18, 1855 (P. L., 253); March 8, 1856 (P. L., 96); April 16, 1857 (P. L., 209); April 3, 1866 (P. L., 419), and April 2, 1872 (P. L., 739), and this defendant now possesses all the powers, privileges, and franchises conferred by said statutes.

(b) On July 8, 1864, under the laws of the Commonwealth of Pennsylvania, in such case made and provided, the Beaver Meadow Railroad and Coal Company was duly consolidated with and merged

into this defendant and this defendant thereupon acquired all the property, rights, and franchises of said Beaver Meadow Railroad and Coal Company, including the right to mine, transport, and vend coal referred to in the next succeeding paragraph hereof.

(c) The Beaver Meadow Railroad and Coal Company aforesaid was a corporation of the Commonwealth of Pennsylvania, duly
112 organized under and pursuant to the statute of said Commonwealth enacted April 7, 1830 (P. L., 392), entitled "An act to incorporate the Beaver Meadow Railroad and Coal Company," with certain powers, privileges, and franchises therein specified for the purpose of constructing a railroad and the carrying on of the business of mining, transporting, and vending coal. The routes and location of said railroad and the powers, privileges, and franchises of said corporation were thereafter amended and extended by statutes of said Commonwealth, supplementary to said act of incorporation, enacted, respectively, April 4, 1831 (P. L., 494); January 29, 1833 (P. L., 18); April 15, 1835 (P. L., 336); December 22, 1836 (P. L., 1837–5); February 18, 1848 (P. L., 62); March 20, 1849 (P. L., 185); March 15, 1853 (P. L., 186), and April 15, 1857 (P. L., 189).

(d) On August 5, 1864, under the authority of the statutes of the Commonwealth of Pennsylvania in such case made and provided, the Penn Haven and White Haven Railroad Company was duly consolidated with and merged into this defendant, and this defendant acquired all the property, rights, and franchises of said corporation.

(e) The Penn Haven and White Haven Railroad Company aforesaid was a corporation of the Commonwealth of Pennsylvania, duly organized under a statute of said Commonwealth, enacted May 4, 1857 (P. L. [1859], 786), entitled "An act to incorporate the Penn Haven and White Haven Railroad Company," with certain powers, privileges, and franchises therein specified, for the purpose of constructing a railroad; and the routes and location of said railroad and the powers, privileges, and franchises of said corporation were thereafter extended and amended by statutes of said Commonwealth, supplementary to said act of incorporation, enacted, respectively, on April 11, 1859 (P. L., 474); April 2, 1860 (P. L., 751), and February 16, 1863 (P. L., 47).

113 (f) On June 20, 1866, under the authority of the statutes of the Commonwealth of Pennsylvania in such case made and provided, the Lehigh and Mahanoy Railroad Company was duly consolidated with and merged into this defendant, and this defendant acquired all the property, rights, and franchises of said corporation.

(g) The Lehigh and Mahanoy Railroad Company aforesaid was a corporation of the Commonwealth of Pennsylvania, organized on November 11, 1862, under a statute of said Commonwealth enacted April 8, 1861 (P. L., 259); and upon the organization of said corporation the franchises of the Quakake Railroad Company were transferred and conveyed to it. Said Quakake Railroad Company

was a corporation of the Commonwealth of Pennsylvania, organized under a statute of said Commonwealth enacted April 25, 1857 (P. L., 324), entitled "An act to incorporate the Quakake Railroad Company," with certain powers, privileges, and franchises therein specified, for the purpose of constructing a railroad; and the routes and location of said railroad were thereafter extended and amended by a statute of said Commonwealth supplementary to said act of incorporation, enacted March 22, 1859 (P. L., 299).

(h) On May 25th, 1868, under the authority of the statutes of the Commonwealth of Pennsylvania in such case made and provided, the Hazleton Railroad Company was consolidated with and merged into this defendant, and this defendant acquired all the property, rights, and franchises of said corporation, including the right to mine, transport, and vend coal referred to in the next succeeding paragraph hereof.

(i) The Hazleton Railroad Company aforesaid was a corporation of the Commonwealth of Pennsylvania, originally incorporated under the name of the Hazleton Coal Company, under a statute of said Commonwealth enacted March 18, 1836 (P. L., 129), en-
114 titled "An act to incorporate the Hazleton Coal Company," with certain powers, privileges, and franchises therein specified, for the purposes of the mining of coal and the transacting of the usual business of companies engaged in the mining, transporting to market, and selling of coal and other products of coal mines, and constructing a railroad from any point on its lands near the headwaters of Cranberry and Hazel Creeks to intersect the Beaver Meadow Railroad. The routes and location of the said railroad and the powers, privileges, and franchises of said corporation were thereafter amended and extended by statutes of said Commonwealth, supplementary to said act of incorporation, enacted, respectively, March 8, 1839 (P. L., 49); April 5, 1849 (P. L., 403); March 18, 1851 (P. L., 190); January 12, 1856 (P. L., 2); March 19, 1863 (P. L., 170); March 9, 1865 (P. L., 299), and March 29, 1867 (P. L., 626). Pursuant to a statute of said Commonwealth, enacted March 9, 1865 (P. L., 299), the name of said corporation was duly changed to the "Hazleton Railroad Company."

(j) On June 16, 1868, under the authority of the statutes of the Commonwealth of Pennsylvania, in such case made and provided, the Lehigh Luzerne Railroad Company was duly consolidated with and merged into this defendant, and this defendant acquired all the property, rights, and franchises of said corporation.

(k) The Lehigh Luzerne Railroad Company aforesaid was a corporation of the Commonwealth of Pennsylvania, duly organized under the name of Jeddo and Carbon County Railroad Company, under a statute of said Commonwealth enacted March 23, 1854 (P. L. [1856], 605), entitled "An act to incorporate the Jeddo and Carbon County Railroad Company," with certain powers, privileges, and franchises therein specified, for the purpose of constructing a rail-

road, and the route and location of said railroad and the powers, privileges, and franchises of said corporation were thereafter
115 extended and amended by statutes of the Commonwealth of Pennsylvania, supplementary to said act of incorporation, enacted, respectively, March 16, 1855 (P. L., 545); February 12, 1856 (P. L., 41), and April 8, 1857 (P. L., 184); and by and pursuant to said supplementary statutes the name of said corporation was changed to "Lehigh Luzerne Railroad Company."

(f) This defendant has also at various times acquired ownership of the entire capital stock of certain other railroad corporations which are now and long have been operated by the defendant as a part of its railroad system, to wit: (1) Lehigh Valley Railroad Company of New Jersey, a corporation organized and existing under the laws of the State of New Jersey and owning a line of railway from Phillipsburg, New Jersey, to Jersey City, New Jersey, with various branches therefrom; (2) Pennsylvania & New York Canal & Railroad Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and owning a line of railway from Wilkes-Barre, Pennsylvania, up the valley of the Susquehanna to the boundary line between the State of New York and the Commonwealth of Pennsylvania, with various branches therefrom; (3) The Lehigh Valley Rail Way Company, a corporation organized and existing under the laws of the State of New York and owning a line of railway connecting with the line of the Pennsylvania and New York Canal and Railroad Company as aforesaid at the boundary line between the State of New York and the Commonwealth of Pennsylvania and running thence to Buffalo, New York, with branches and divisions transversing all the territory of the central portion of the State of New York; (4) Montrose Railroad Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and owning a line of railway from Tunkhannock, Pennsylvania, to Montrose, Pennsylvania; (5) The Schuylkill and Lehigh Valley Railroad Company, a
116 corporation organized and existing under the laws of the Commonwealth of Pennsylvania and owning a line of railway from Lizard Creek Junction, Pennsylvania, to Blackwood, Pennsylvania; (6) The Delaware, Susquehanna and Schuylkill Rail Road Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and owning lines of railway from Drifton to Sheppton and from Oneida to Derringer, Pennsylvania; (7) Easton and Northern Railroad Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and owning a line of railway from Easton to Belfast, Pennsylvania, and Bushkill Station to Thirteenth Street Junction, Easton, Pennsylvania; (8) Loyalsock Railroad Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and owning a line of railway from Port Bowkley to Bernice, Pennsylvania, and branches.

(m) This defendant also leases and operates the lines of railway of (1) the State Line and Sullivan Railroad Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and owning a line of railway from Monroeton, Pennsylvania, to Bernice, Pennsylvania; and (2) the Lehigh and New York Railroad Company, a corporation organized and existing under the laws of the State of New York and owning a line of railway from the Pennsylvania State line, at or near Sayre, Pennsylvania, to North Fair Haven, New York.

(n) It is admitted that the defendant is a common carrier subject to an act of Congress approved February 4, 1887, entitled "An act to regulate commerce," in so far as the same is constitutional and legally enforceable against the defendant, and said defendant conducts a large part of its business under and subject to the provisions of said act, the remainder of its business being intrastate business in the States of New Jersey, Pennsylvania and New York, respectively, and subject to the local laws and regulations thereof. This defendant operates railway lines constituting a railway system as aforesaid, with an aggregate first-track mileage which on June 30, 1913, was 1,438.90 miles, and with a total all-track mileage on the same date of 3,354.83 miles. Said system constitutes and is operated as a continuous transportation route between the States of New Jersey, Pennsylvania, and New York, having terminals on the east at Perth Amboy, N. J., and various points on the New York Harbor, and on the north and west at North Fair Haven, Rochester, Buffalo, and Suspension Bridge, New York.

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This defendant owns the entire capital stock of the Lehigh Valley Transportation Company, which controls a line of steamships plying upon the Great Lakes connecting with the lines of the Lehigh Valley Railroad Company at Buffalo, New York, and running to Manitowoc and Milwaukee, Wisconsin, and Chicago, Illinois. Said lines of this defendant, including its boat line, intersect and connect with lines of various other railroad and steamship companies, and in conjunction with such connecting carriers, this defendant transports commodities consigned from and destined to points in many other States and Territories of the United States and abroad.

(o) This defendant admits that it is engaged in carrying passengers and miscellaneous freight in interstate commerce, and admits that it is largely engaged in transporting anthracite from mines in Pennsylvania to markets in other States and in foreign countries. For the year ending June 30, 1913, somewhat less than half of the total tonnage transported by this defendant was anthracite.

(p) This defendant admits that it has outstanding $60,501,700 of common capital stock, being 1,210,034 shares of $50.00 each par value, and $108,300 of preferred stock, being 2,126 shares of $50.00 each par value. Its total funded debt on June 30, 1913, was $85,840,669.18, with total assets of $182,719,411.51 book value, as carried on its general balance sheet, although its actual assets are of a value much in excess of that sum.

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(2) This defendant admits that it is now and has been for many years past the owner of shares of the capital stock of the coal companies named in the petition herein, and alleges in regard thereto as follows: This defendant now owns the entire capital stock of The Lehigh Valley Coal Company. Said The Lehigh Valley Coal Company is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, formed by the consolidation and merger of the Luzerne Coal and Iron Company and the Green Land Company, and acquired and now owns all the rights, privileges, and franchises of said Luzerne Coal and Iron Company and said Green Land Company. In or prior to 1872 this defendant had acquired the entire capital stock of said Luzerne Coal and Iron Company and of said Green Land Company, and owned the same at the time of said consolidation, and in said consolidation exchanged such holdings for the stock of The Lehigh Valley Coal Company. Thereafter the Mineral Spring Coal Company and the Delano Land Company were consolidated and merged into The Lehigh Valley Coal Company, and the said The Lehigh Valley Coal Company acquired all the rights, privileges, and franchises of said companies. The Green Land Company aforesaid was duly organized and existed as a corporation under and pursuant to a statute of the Commonwealth of Pennsylvania, enacted on the 29th day of May, 1871 (P. L. [1872], 1351), entitled "An act to incorporate the Green Land Company," and a supplement thereto enacted on April 2, 1872 (P. L., 737). The Luzerne Coal and Iron Company aforesaid was duly organized and existed as a corporation under a statute of the Commonwealth of Pennsylvania, enacted on April 11, 1868 (P. L., 828), entitled "An act to incorporate the Luzerne Coal and Iron Company."

119 The Delano Land Company aforesaid was duly organized and existed as a corporation under a statute of the Commonwealth of Pennsylvania, enacted on the 15th day of March, 1872 (P. L., 388), entitled "An act to incorporate the Delano Land Company," etc. The Mineral Spring Coal Company aforesaid was duly organized and existed as a corporation under a statute of the Commonwealth of Pennsylvania, enacted April 3, 1866 (P. L. [1867], 1400), entitled "An act to incorporate the Mineral Spring Coal Company."

This defendant admits that the outstanding capital stock of The Lehigh Valley Coal Company is $1,965,000, being 39,300 shares of $50.00 each par value, and that the funded debt of said company is $20,296,000.

(3) This defendant has not sufficient knowledge to enable it to admit or deny the allegations of paragraph 3, except that the Lehigh Valley Coal Sales Co. ships anthracite over the lines of this defendant. In so far as the remaining allegations may be deemed material, this defendant asks that proper proof be made thereof.

(4) This defendant admits that it owns the entire capital stock of Coxe Brothers & Company, Incorporated. Said company is a cor-

poration organized and existing under the laws of the Commonwealth of Pennsylvania; and this defendant admits that the outstanding capital stock of said Coxe Brothers & Company, Inc., is $2,910,150, being 58,203 shares of $50.00 each par value.

(5) This defendant admits that The Delaware, Susquehanna and Schuylkill Rail Road Company is a corporation duly organized under the laws of the Commonwealth of Pennsylvania, said company having been organized April 14, 1890, pursuant to the provisions of the so-called railroad law of the Commonwealth of Pennsylvania, enacted April 4, 1868 (P. L., 62). The construction of said railroad was begun in 1890 and completed in 1892, entirely within the
120 State of Pennsylvania. It began at a point at or near the village of Drifton, in the county of Luzerne, and extended, via the village of Eckley, to a point near the village of Gowen situated at the junction of Luzerne, Schuylkill and Columbia Counties, all in the State of Pennsylvania. It was financed and constructed solely by the owners of Coxe Brothers & Company, Inc. It connected with the Lehigh Valley Railroad at several points, to wit, at Mount Pleasant, Long Run Junction, Cranberry Junction, Lumber Yard, Eckley Junction, and Drifton. Its entire capital stock was acquired by this defendant November 1, 1905.

(6) This defendant owns and since the year 1872 has owned the majority in control of the capital stock of the New York and Middle Coal Field Railroad and Coal Company. Said company is a corporation originally organized and existing under the laws of the Commonwealth of Pennsylvania under the name of the "The Coal Run Improvement Company" under and pursuant to a statute enacted March 11, 1851 (P. L., 143), entitled "An act to incorporate The Coal Run Improvement Company" and supplements to said statute enacted, respectively, March 2, 1853 (P. L., 136); May 2, 1855 (P. L., 399); April 8, 1864 (P. L., 300); April 17, 1866 (P. L., 1000); February 15, 1872 (P. L., 111); March 7, 1872 (P. L., 250), and reincorporated and since existing under and pursuant to the laws of said Commonwealth.

This defendant admits that the outstanding capital stock of said company is $1,500,000, being 60,000 shares of $25.00 each par value, of which this defendant owns $1,216,325.

(7) This defendant has not sufficient information to enable it to admit or deny the allegations of paragraph 7.

(8) This defendant admits the allegations of paragraph 8, with the exception that said stocks were pledged with the Girard Trust Company under two different instruments.

121 (a) A mortgage known as the "general consolidated mortgage" was executed by this defendant September 30, 1903, for the purpose and upon the terms expressed therein, and thereunder bonds to the amount of $49,639,000 have been issued, of which $36,639,000 are outstanding in the hands of the public and $13,000,000 are in the treasury of this defendant. Under said mortgage were

pledged the stocks of The Lehigh Valley Coal Company and the New York and Middle Coal Field Railroad and Coal Company. A true and correct copy of said mortgage is attached to the answer of the Girard Trust Co. in this cause, and this defendant begs leave to refer thereto as if embodied herein.

(b) A collateral trust agreement was executed by this defendant November 1, 1905, with the said Girard Trust Company as trustee for the purposes and upon the terms expressed therein, and thereunder bonds to the amount of $12,000,000 are now outstanding in the hands of the public. Under said agreement were pledged the capital stocks of Coxe Bros. & Co., Inc., and The Delaware, Susquehanna and Schuylkill Rail Road Company. A true and correct copy of said agreement is attached to the answer of the Girard Trust Co. in this cause, and this defendant begs leave to refer thereto as if embodied herein.

(9) This defendant admits the allegations as to the places of residence and official positions of the individuals named in this part of the petition, with the exception that George F. Baer has since died, but had previously resigned as a director of the Lehigh Valley Railroad Company and Morris L. Clothier has been elected in his place, and with the further exception that Charles Steele has resigned as a director of the Lehigh Valley Railroad Company and William P. Clyde has been elected in his place.

This defendant admits that its directors control and direct its policies and acts, but denies that they are responsible for the con-
122 tinuance of, or that there exists or ever has existed any combination and monopolization, or either, in restraint of interstate or foreign trade and commerce in anthracite.

## III.

### *1. Use and value of anthracite.*

This defendant denies that anthracite is an article of prime necessity, but admits that it is in general use throughout New England and the Middle Atlantic States and to a lesser extent in the Middle West and in Canada. The tariffs of this defendant classify anthracite as follows:

(1) Prepared sizes, which includes chestnut and larger sizes.

(2) Pea coal.

(3) Buckwheat and smaller sizes.

It is believed that the average yearly production of anthracite has recently exceeded 75,000,000 gross tons, but the tonnage originating on and transported over the lines of this defendant from all points to all points both local to and distant from the lines of this defendant is less than 12,000,000 tons per year, with a prospect of a gradual decrease therein each year hereafter.

*2. Location and extent of the deposits.*

This defendant admits that the only known deposits of anthracite of economic value underlie an area of 403.84 square miles, or 309,760 acres, in several adjoining counties in eastern Pennsylvania. Over the rails of this defendant the average haul to Jersey City, New Jersey, from the coal regions is 170 miles and to Buffalo 301 miles.

*3. Transportation outlets.*

This defendant admits that in the early years of the industry some anthracite was sent to distant markets by river and canal. Many of the mines were owned by companies which were chartered
123 both to mine coal and construct and operate a line of railroad for the transportation thereof, as, for example, the Beaver Meadow Railroad and Coal Company and the Hazleton Coal Company, the name of which was subsequently changed to Hazleton Railroad Company. There were local railroads which transported the product to local markets, and for several years after the inception of mining transportation was undertaken by rail and water to Philadelphia over the so-called Lehigh Canal and to several points in New Jersey over the so-called Morris Canal. It is denied that water transportation of anthracite has been nearly abandoned.

This defendant admits that it reaches all three of the trade regions. However, there is but one colliery in the Schuylkill region located on the line of this defendant, called the Blackwood colliery, which has a very small output.

The locations in respect of the towns reached by the various railroad systems mentioned in the petition are substantially accurate.

It is denied that the transportation of anthracite by this defendant at the rates now in force or which ever have been in force has been or is enormously, or even moderately, profitable. For many years the owners of this defendant received upon their investment a very small return, and for a long period no return whatever, and at other times and up to the present time have not received and are not now receiving a return commensurate with the value of their investment in the property.

*4. Geographical distribution of the output.*

This defendant admits that more than four-fifths of the anthracite transported by it moves to points outside Pennsylvania in the channels of interstate commerce. So far as this defendant may judge from the tonnage moving on its lines, New York Harbor is not the principal market and distributing point. About one-sixth of the tonnage moving on this defendant's lines in the year
124 ending June 30, 1912, moved to Perth Amboy, N. J., but virtually all that tonnage was for movement beyond by water,

the bulk of the water movement going to points on Long Island Sound and the New England Coast. About one-twentieth of the total tonnage was transported to Jersey City and piers in Brooklyn for local delivery. None was transported to piers on Manhattan Island or the Bronx.

It is denied that the railroads mentioned in the petition as serving the mines, with the exception of the Lehigh & New England and the Delaware & Hudson, all charge substantially the same rates from the mines to tidewater at New York Harbor, irrespective of the length of the haul, although a relation necessarily exists, based upon the circumstances and conditions found at the respective points, between rates to competitive markets.

It is admitted that Buffalo, N. Y., is an important market located on the line of this defendant, and that anthracite is transported to such point in large quantities for local consumption or delivery to connecting lines and for transshipment on the Great Lakes, and that for the year ending June 30, 1912, about 2,000,000 tons was transported to Buffalo for such purposes.

It is also admitted that the tabulation in respect of the anthracite tonnage over the line of this defendant to the points as specified therein, as appearing in the petition, is substantially correct.

This defendant has not sufficient knowledge to enable it to admit or deny specifically the remaining allegations of this portion of the petition.

IV.

This defendant denies that it and its officers and directors, or any of them, are themselves, or in conjunction with any other companies or individuals, or ever have been, parties to a combination or conspiracy to restrain or monopolize, or are or have been attempting to monopolize or monopolizing the production, transportation, and sale in interstate commerce of anthracite from mines and
125 lands located along the lines of the Lehigh Valley Railroad Company or elsewhere, either by acquiring control of such mines and lands or by acquiring control of the output of independent producers, or by exerting any power to give undue preferences and advantages to any companies whatever, or by any discrimination in any form, or by any or all of said means or any other means whatsoever.

V.

1. It is denied that prior to 1874 this defendant had acquired a considerable body of anthracite lands in Pennsylvania. This defendant does not own and never has owned or acquired any anthracite lands in Pennsylvania or elsewhere, except that two of its constituent companies, to wit, the Beaver Meadow Railroad and Coal Company and the Hazleton Coal Company, later called the Hazleton Railroad Company, as heretofore mentioned, were chartered both as railroad and coal companies, as it was then and was for many

years the policy and desire of the Commonwealth of Pennsylvania to have a joint development of the anthracite mining industry and the transportation facilities for carrying anthracite to markets, and many companies, including the two above named, were specially chartered by the Commonwealth of Pennsylvania for said purposes. And by a general act of April 15, 1869 (P. L., 31), entitled "An act to authorize railroad and canal companies to aid in the development of coal, iron, lumber, and other material interests of this Commonwealth," it was provided that it should be lawful for railroad and canal companies to aid corporations authorized by law to develop the coal, iron, lumber, and other material interests of said Commonwealth, by the purchase of their capital stocks and bonds or either of them, or by guarantee of or agreement to purchase the principal and interest, or either, of such bonds. Under and pursuant to said act, and also in pursuance of the charter authority above men-
126 tioned, this defendant acquired and has for many years past been the owner of shares of the capital stock of The Lehigh Valley Coal Company.

Said The Lehigh Valley Coal Company is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania formed by the consolidation and merger of the Luzerne Coal and Iron Company and the Green Land Company, and acquired and now owns all the rights, privileges, and franchises of said Luzerne Coal and Iron Company and said Green Land Company. In or prior to 1872 this defendant had acquired the entire capital stock of said Luzerne Coal and Iron Company and of said Green Land Company, and owned the same at the time of said consolidation, and at that time exchanged such holdings for the stock of The Lehigh Valley Coal Company.

The Green Land Company aforesaid was duly organized and existed as a corporation under and pursuant to a statute of the Commonwealth of Pennsylvania enacted on the twenty-ninth day of May, 1871 (P. L. [1872], 1351), entitled "An act to incorporate the Green Land Company," and a supplement thereto enacted on April 2, 1872 (P. L., 737). The Luzerne Coal and Iron Company aforesaid was duly organized and existed as a corporation under a statute of the Commonwealth of Pennsylvania enacted April 11, 1868 (P. L., 828), entitled "An act to incorporate the Luzerne Coal and Iron Company."

The common capital stock of said The Lehigh Valley Coal Company is $1,965,000, being 39,300 shares of a par value of $50 each, which is now owned, as aforesaid, by the Lehigh Valley Railroad Company and which is pledged with the Girard Trust Company under this defendant's mortgage to said Girard Trust Company as trustee, made September 30, 1903, and known as the "general consolidated mortgage," heretofore mentioned.

The said The Lehigh Valley Coal Company has issued and outstanding in the hands of the public bonds in the amount of $12,796,-

000, and has issued and outstanding and owned by the Lehigh Valley Railroad Company bonds in the amount of $7,500,000.

127 It is admitted that an article was inserted in the constitution of the Commonwealth of Pennsylvania which went into effect January 1, 1874, providing that "No incorporated company doing the business of a common carrier shall directly or indirectly prosecute or engage in mining or manufacturing articles for transportation over its works," but said constitution did not endeavor to and did not alter or affect the charter rights and obligations theretofore acquired by or imposed upon this defendant; and, moreover, even if said provision were applicable to this defendant, it is denied that the ownership of the capital stock and obligations as aforesaid of The Lehigh Valley Coal Company would cause this defendant to engage, or to be engaged, either directly or indirectly, "in mining or manufacturing articles for transportation over its works." This defendant denies that it has completely dominated, or to any extent dominated, the said The Lehigh Valley Coal Company, or any other coal companies, through stock ownership or otherwise. It is admitted that as an owner of stock it controls and long since has been controlling the election of the directors of said The Lehigh Valley Coal Company, but the mines of said company have always been and are now operated and the business and affairs thereof have always been and are now controlled by and under the direct management of officers who hold no positions and who have no connections whatever with the Lehigh Valley Railroad Company. The president of the Lehigh Valley Railroad Company is the president of The Lehigh Valley Coal Company at the present time, but he has never exercised and does not now exercise any jurisdiction in respect of the mining or production or sale of coal.

In respect of the allegations as to the acquisitions of the rights and properties of various subsidiary companies by The Lehigh Valley Coal Company, this defendant answers:

128 (a) It is admitted that the Hazleton Coal Company was organized by this defendant to take title to anthracite lands in Hazleton and Beaver Meadow, Pa., which lands had been acquired through merger of subsidiary companies mentioned aforesaid. Said Hazleton Coal Company was incorporated May 20, 1896, with a common capital stock of $665,000, all of which was owned by the Lehigh Valley Railroad Company, and said company was dissolved by decree of the court of common pleas of Luzerne County, Pa., filed in the office of the secretary of the Commonwealth September 13, 1905.

(b) and (c) On information and belief, the Westwood Coal Company was organized June 10, 1891, under the laws of the Commonwealth of Pennsylvania. The Hazleton Coal Company was merged into it by articles dated June 10, 1904, and the resulting company took the name of Hazleton Coal Co. Said Westwood Coal Co. had a common capital stock of $165,000 owned by this defendant, which

was pledged with the Girard Trust Company as trustee of the Lehigh Valley Railroad Company's collateral trust mortgage of May 1, 1897.

(d) On information and belief, the Locust Mountain Coal and Iron Company was organized under a statute of the Commonwealth of Pennsylvania enacted April 5, 1842 (P. L., 240), entitled "An act authorizing Jacob Sorrick and Michael Hettrick, trustees of the Lutheran Congregation of Clover Creek, Huntington County, to sell and convey certain real estate and for other purposes," and supplements to said statute enacted, respectively, March 31, 1853 (P. L., 265); May 3, 1864 (P. L., 710); and April 13, 1868 (P. L., 906). It is admitted that the majority of the capital stock of said company was acquired by the Lehigh Valley Railroad Company in 1869, and that on June 30, 1910, said ownership consisted of 6,618 shares of a par value of $50 each, or a total par value of $330,900, which stock was sold during the succeeding fiscal year at said par value to
129 The Lehigh Valley Coal Company, which company for many years had been mining on lease the coal of said Locust Mountain Coal and Iron Company.

(e) It is admitted that said Delano Land Company was incorporated in the year 1872 under a statute of the Commonwealth of Pennsylvania enacted on the fifteenth day of March, 1872 (P. L., 388), entitled "An act to incorporate the Delano Land Company," but it is denied that said company was incorporated at the instance of this defendant. It is admitted that its entire capital stock, amounting to $350,000, was later, to wit, in 1891, conveyed to The Lehigh Valley Coal Company for $100,000, but said $100,000 represented the then fair value thereof.

(f) It is admitted that the entire capital stock of the Humbolt Coal Company, consisting of 100,000 shares, was transferred to The Lehigh Valley Coal Company by the Lehigh Valley Railroad Company for $355,000. Its charter expired by limitation in 1889.

(g) On information and belief it is alleged that the Wyoming Valley Coal Company was organized under the laws of the Commonwealth of Pennsylvania on April 11, 1882. It is admitted that at a later date the Lehigh Valley Railroad Company acquired the entire capital stock of said company of the par value of $1,300,000, but at a much less sum than the par value thereof, which stock was subsequently transferred to The Lehigh Valley Coal Company for a good and valuable consideration for all of it, and it is denied that the sole consideration was the receipt of $350,000 par value of the treasury stock of The Lehigh Valley Coal Company and the assumption by The Lehigh Valley Coal Company of the bonded debt—amounting to $228,000—of said Wyoming Valley Coal Company.

(h) It is admitted that during the year 1894 the Lehigh Valley Railroad Company purchased the leasehold improvements and
130 equipment of Messrs. A. Pardee & Company in collieries Nos. 1, 3, 5, and 6 and South Sugar Loaf, located at Hazleton, Pa., and on November 1, 1894, transferred its interests therein to The Lehigh Valley Coal Company.

(i) It is admitted that during the year 1894 this defendant purchased the interests of J. C. Haydon & Company in the improvements, personal property, and mining contract of the Spring Mountain collieries, and on November 1, 1894, transferred its interests therein to The Lehigh Valley Coal Company.

(j) It is admitted that during the year 1901 this defendant acquired the entire capital stock of the Connell Coal Company. On information and belief it is alleged that said company was organized under the laws of the Commonwealth of Pennsylvania on May 15, 1890, but that it was dissolved by a decree of the court of common pleas of Luzerne County filed in the office of the secretary of the Commonwealth September 13, 1905. The entire capital stock amounted to $500,000. The consideration received therefor at the time of its sale to The Lehigh Valley Coal Company—in the year 1905—represented the fair value thereof at the time of sale. The properties of the said Connell Coal Company and also of the Seneca Coal Company, the Righter Coal Company, the Warrior Run Mining Company, and the Wyoming Coal & Land Company, hereinafter more specifically referred to, were as a whole sold to The Lehigh Valley Coal Company in the year 1905 for various good and valuable considerations, among others being certificates of indebtedness and capital stock amounting to $11,202,000, which were pledged with the Girard Trust Company as trustee under this defendant's general consolidated mortgage, above mentioned.

(k) The Seneca Coal Company was organized under the general laws of the Commonwealth of Pennsylvania May 1, 1900, and
131 the product of its mines was sold to The Lehigh Valley Coal Company continuously under a contract of May 30, 1901. The entire capital stock of said company was acquired by this defendant at the fair value thereof in 1901 and subsequently sold, to wit, in 1905, to The Lehigh Valley Coal Company in connection with the properties above mentioned at the then fair value thereof. The company was dissolved by a decree of the court of common pleas of Luzerne County, Pa., dated March 20, 1907, filed in the office of the secretary of the Commonwealth March 30, 1907.

(l) The Mineral Spring Coal Company was organized November 9, 1867, under a statute of the Commonwealth of Pennsylvania enacted April 3, 1866 (P. L. 1867–1400), entitled "An act to incorporate the Mineral Spring Coal Company." Prior to 1902 this defendant owned a majority of the capital stock of said company, and on January 27, 1902, acquired the balance thereof and became the sole owner of the entire capital stock, amounting to $300,000. In 1905 said stock was conveyed to The Lehigh Valley Coal Company in exchange for an equal amount in par value of the stock of the latter, and said company was merged with The Lehigh Valley Coal Company in accordance with articles dated June 10, 1904, and filed with the secretary of the Commonwealth of Pennsylvania September 2, 1904.

(m) On information and belief, the Righter Coal Company was organized on May 7, 1902. The property of the company consisted of a leasehold estate in Columbia County, Pa., leased from the Coal Ridge Improvement & Coal Company, hereinabove mentioned in connection with the Westwood Coal Company, and the mines were operated through the Mount Carmel colliery, leased from the Locust Mountain Coal and Iron Company, above mentioned. The entire capital stock was acquired by the Lehigh Valley Railroad Company and in 1905 was transferred to The Lehigh Valley Coal Company in connection with other properties, as
132 hereinbefore more specifically set forth. Said company was dissolved by a decree of the court of common pleas of Columbia County, Pa., filed in the office of the secretary of the Commonwealth September 25, 1905.

(n) The Warrior Run Mining Company was organized under the laws of the Commonwealth of Pennsylvania December 29, 1864, and owned a leasehold estate situated in Hanover Township, Luzerne County, Pa. It is admitted that in the year 1904 its entire capital stock was acquired by the Lehigh Valley Railroad Company for $1,000,000 and in July, 1905, was transferred to The Lehigh Valley Coal Company in conjunction with other properties, as hereinabove more specifically mentioned. Said company was dissolved by decree of the court of common pleas of Luzerne County, Pa., filed in the office of the secretary of the Commonwealth June 27, 1907.

(o) The Wyoming Coal and Land Company was organized under the laws of the Commonwealth of Pennsylvania on July 12, 1894. The allegation as to its ownership of anthracite lands is admitted. It is admitted that in 1905 its entire capital stock was acquired by the Lehigh Valley Railroad Company and subsequently transferred to The Lehigh Valley Coal Company in conjunction with the other properties hereinabove more specifically mentioned. Said company was dissolved by decree of the court of common pleas of Luzerne County, Pa., filed in the office of the secretary of the Commonwealth September 13, 1905.

This defendant has not sufficient knowledge to enable it to admit or deny the remaining allegations of this section of the petition and, in so far as the same may be deemed material, prays that proper proof shall be made thereof, with the exception, however, that this defendant denies that the aforesaid acquisitions and transactions
133 specifically referred to above were not made or entered into in the normal course of business development but for the purpose and with the effect of suppressing competition and securing to this defendant a monopoly of the production of anthracite from mines and lands tributary to its lines and of the transportation and sale thereof amongst the States. Said properties were acquired in the normal course of business development, and the small production of anthracite which they represented had for a long time prior to

the acquisition of the rights mentioned either been mined under lease or contract by The Lehigh Valley Coal Company or its affiliations, and the transportation thereof had always, in the natural course of business and by reason of the very fact that the lands were tributary to the Lehigh Valley Railroad, moved over its rails.

2. This defendant now owns and since the year 1872 has owned the majority in control of the capital stock of the New York and Middle Coal Field Railroad and Coal Company. Said company is a corporation originally organized and existing under the laws of the Commonwealth of Pennsylvania under the name of The Coal Run Improvement Company, under and pursuant to a statute of said Commonwealth enacted on March 11, 1851 (P. L., 143), entitled "An act to incorporate The Coal Run Improvement Company" and supplements to said statute enacted, respectively, March 2, 1853 (P. L., 136); May 2, 1855 (P. L., 399); April 8, 1864 (P. L., 300); April 17, 1866 (P. L., 1090); February 15, 1872 (P. L., 111); March 7, 1872 (P. L., 250), and reincorporated and since existing under and pursuant to the laws of the Commonwealth of Pennsylvania aforesaid. The allegations as to its capital stock and the portion thereof owned by this defendant are admitted.

3. It is denied that the firm of Simpson & Watkins ever protested to this defendant against its freight rates on the ground either that they were extortionate or discriminatory or on any other grounds; and on information and belief it is denied that said firm ever
134 intended to promote the construction of a new railroad route from the anthracite fields to tidewater.

On information and belief it is averred that the New York, Wyoming & Western Railroad Company was incorporated for the purpose of constructing a line to the eastern boundary of Northampton County, Pa., or, in other words, to the Delaware River, but this defendant has not sufficient knowledge to enable it to admit or deny the allegations as to the location of any part of said line or the purchase of any materials for the construction thereof or the making of any other preparations. It is denied that if said railroad had been completed it would have been a competitor of this defendant in the transportation of anthracite to any markets whatever, to say nothing of competition in interstate commerce.

As to the decree of the Supreme Court of the United States in the case of the United States *v.* Reading Company et al., in respect of the Temple Iron Company, this defendant has in good faith endeavored to carry out the mandates of said decree. No meetings have been held, no votes have been taken, and no dividends have been paid contrary to said decree, and this defendant avers that the same has been complied with to the full extent of the true meaning and intent thereof.

4. It is denied that Coxe Bros. & Co., Inc., was in 1905 or any other time the largest independent producer of anthracite along the Lehigh Valley Railroad. On information and belief it is alleged that its

production has never exceeded 1,400,000 gross tons. It is admitted that its collieries are located along the line of The Delaware, Susquehanna & Schuylkill Rail Road Company, through which it had connection with the Pennsylvania Railroad Company, the Central Railroad Company of New Jersey, and the Philadelphia & Reading Railway Company. It is admitted that on November 1, 1905, this defendant purchased from the Coxe estate the entire capital stock of Coxe Bros. & Co., Inc., but it is denied that the purchase
135 price paid was much in excess or in excess at all of the true value of said stock and denied that the purchase was not made in the course of normal business development but in furtherance of a purpose to monopolize the production, transportation, and sale of anthracite from mines along the lines of this defendant. It is not a proper or accurate comparison to compare the interest paid by this defendant on the bonds issued in respect of the purchase of said property with the dividends paid by Coxe Bros. & Co., Inc., on the stock owned by this defendant, for several reasons: First, the total purchase price was paid both for the properties of Coxe Bros. & Co., Inc., and for the railroad property which had been constructed and financed by the owners of said Coxe Bros. & Co., Inc., known as The Delaware, Susquehanna and Schuylkill Rail Road Company; secondly, the mining operations of Coxe Bros. & Co., Inc., have been conducted under a policy of making extensive and valuable improvements out of income and of careful and scientific management, leading to better returns in the long run than could otherwise be secured, so that eventually the total returns received will more than equal the total interest on the debt imposed by the purchase; and, thirdly, a part of the property received from Coxe Bros. & Co., Inc., at the time of said purchase consisted of cash and quick assets in the amount of $2,000,000 and surplus real estate of the value of approximately $1,000,000.

5. It is admitted that in 1905, as above mentioned, this defendant purchased from the Coxe estate the entire capital stock of The Delaware, Susquehanna and Schuylkill Rail Road Company, and has since operated said railroad as a part of the Lehigh Valley Railroad System. It is denied that said acquisition was not a step in the course of normal business development, but in pursuance of a purpose of this defendant to monopolize the production, transportation, and sale of anthracite along its lines. For a more specific
136 answer to the remaining allegations of this paragraph this defendant refers to the separate answer of said Delaware, Susquehanna and Schuylkill Rail Road Company.

6. It is denied that this defendant has caused The Lehigh Valley Coal Company to enter into long-term contracts with independent operators for the purchase of their entire output and also denied that this defendant developed a regular practice by which it paid to The Lehigh Valley Coal Company as a rebate or otherwise the difference in any sum between the published rates to tidewater and

forty per cent of the current tidewater price. It is also denied that this defendant has recouped The Lehigh Valley Coal Company by large advances or otherwise for losses of any kind sustained by said coal company. This defendant has not sufficient knowledge to enable it to admit or deny the remaining allegations of this portion of the petition, and in so far as the same may be deemed material prays that proper proof shall be made thereof.

7. This defendant denies that it has caused The Lehigh Valley Coal Company to enter into a contract of any kind with G. B. Markle Company, and denies that it has by any means whatsoever or in any manner done anything to secure to it the transportation of anthracite mined by said G. B. Markle Company over its rails. Exhibit 1 attached to the petition specifically mentions tolls and freights charged by "other railroad companies." This defendant has not sufficient knowledge to enable it to admit or deny the remaining allegations of this portion of the petition, and so far as same may be deemed material prays that proper proof shall be made thereof.

8. (a) It is admitted that The Lehigh Valley Coal Company has never paid a dividend, but it is denied that it has lost money much of the time and that most of the capital required in carrying on its business has been furnished by the Lehigh Valley Railroad
137 Company. It is denied that this defendant has dealt with or treated The Lehigh Valley Coal Company in any way other than a normal business and proper commercial relation or that it has improperly or unlawfully used any of its funds by paying interest on indebtedness that should have been assumed by said coal company. It is denied that it was not intended that interest should be paid on the "certificates of indebtedness," referred to in said petition, and it is averred that interest has been paid thereon in full, but not by reason of any finding by the Interstate Commerce Commission, as alleged in the petition in this cause. It is denied that any transaction mentioned in the petition was not bona fide, but was a cover for a rebate or otherwise by this defendant to The Lehigh Valley Coal Company. The remaining allegations of this portion of the petition not hereinabove specifically admitted or denied shall be taken as denied.

(b) Under the authority conferred by the statutes of the Commonwealth of Pennsylvania, above mentioned, this defendant has guaranteed the bonds of subsidiary coal companies mentioned in this section of the petition, but the remaining allegations are denied.

(c) The allegations of this section of the petition are denied.

(d) The allegations of this section of the petition are denied.

(e) The allegations of this section of the petition are denied.

9. The allegations of this section of the petition are denied.

10. The lease dated April 1, 1909, to the Yates-Lehigh Coal Company for the premises located at Louisiana Street, Buffalo, New York, copy of which lease is attached to the petition as Exhibit 2, was

the subject of a criminal prosecution by the Department of
138 Justice of the United States in the District Court of the United States for the Western District of New York. In said prosecution this defendant was charged with violation of the act to regulate commerce and of the Elkins Act, and the indictment therein. No. 990, was the subject of a trial before a jury in said United States District Court in March, 1914, and was submitted by the court to a jury on March 20, 1914, whereupon, after due consideration by the jury, a verdict of "not guilty" was rendered in the cause. It is true that some of the leases made many years past, mentioned in this section of the petition, contain a clause as to the shipping of goods over the lines of this defendant, but in fact and truth no such clauses were ever a part of the consideration of the lease, and whether they were observed or not by the lessee, or to what extent they may have been observed, if the lessee believed them to be an obligation, has never been and can not be determined by this defendant. Similar clauses during the same times are found in all similar leases and siding contracts, whether the same were to be used in connection with the transportation or handling of anthracite or any other goods. Such clauses were always considered superfluous and unenforceable, and this defendant has never at any time sought to enforce them by any means whatever or in any way endeavored to ascertain whether they were complied with by the lessees. This defendant has eliminated from its leases all such clauses for several years past, and has revised its former leases by the erasure of such clauses to the extent they existed therein. The remaining allegations of this section of the petition not specifically admitted or denied above shall be taken as denied.

11. The allegations of this section of the petition are denied.

12. It is denied that this defendant has charged unreasonably high rates for transporting anthracite from the mines to principal
139 markets or elsewhere. In the case of Coxe Bros. & Co., Inc., v. Lehigh Valley Railroad Company, in which the complaint was filed in October, 1888, but one anthracite rate was involved, to wit, the rate from the Lehigh region to Perth Amboy, for transshipment by water, and this defendant believed and always has believed that the findings of the commission in that case were unjust and unlawful, and did not observe same. In the case of Meeker & Co. v. Lehigh Valley Railroad Company the rate from the Wyoming region to Perth Amboy f. o. b. was involved, and this defendant believed and has always believed that the findings of the commission in that proceeding were unjust and unlawful, but on account of the heavy penalties prescribed by the act for a failure to observe the order of the commission this defendant was obliged under compulsion to comply with the commission's order as to the reduction of said rate from the Wyoming region to Perth Amboy for transshipment by water, and did so observe the rate for a period of two years, up to the day when the order of the commission expired, to wit, on October 15, 1913. It is denied that said findings of the commission were affirmed by the

United States Commerce Court. The anthracite rates of this defendant between all points, as well as the rates of other carriers of anthracite, are now the subject of a general investigation by the Interstate Commerce Commission, in which as yet no findings have been made by said commission as to either the reasonableness or unreasonableness of any of said rates. With the allegation noted as to the rate established by compulsion between the Wyoming region and Perth Amboy, N. J., f. o. b., the two tables of rates charged by this defendant between the points mentioned in the petition for the years 1895 to 1913, both inclusive, are admitted to be correct. The remaining allegations of this section are denied.

VI.

It is admitted that the Lehigh Valley Railroad Company
140 now transports annually, principally in interstate commerce, about 11,000,000 gross tons of anthracite. The remaining allegations of this section of the petition are denied.

VII.

1. It is admitted that prior to March 1, 1912, The Lehigh Valley Coal Company shipped annually over this defendant's lines large quantities of anthracite not necessary or intended for the use of this defendant as a common carrier. It is denied that said The Lehigh Valley Coal Company was formed at the instance of this defendant. The facts respecting the history and organization of said coal company have been set forth hereinabove in detail. Said The Lehigh Valley Coal Company has never been and is not now a mere instrumentality of the Lehigh Valley Railroad Company and it is denied that most of its properties or even a substantial part thereof were first acquired by this defendant and then turned over to the coal company. The entire capital stock of said company is owned by this defendant in pursuance of the enabling statutes of the Commonwealth of Pennsylvania above mentioned, and as such owner of stock this defendant controls the election of directors of the said The Lehigh Valley Coal Company, but denies that it dictates or controls the selection of its officers or employees. It is denied that until the suit of the United States *v.* Lehigh Valley Railroad Company, 220 U. S., 257, was instituted the officers and directors of The Lehigh Valley Coal Company were almost exclusively officers and directors of the Lehigh Valley Railroad Company and were appointed because they were such, or that the officers and directors of The Lehigh Valley Coal Company acted on behalf of and for the railroad company and under its instructions. Eben B. Thomas is president of both said companies and H. J. McQuade, secretary and treasurer of The Lehigh Valley Coal Company, was at one time assistant treasurer of the Lehigh Valley Railroad

141 Company. L. A. Tompkins was appointed auditor of the coal company by G. N. Wilson, then general auditor of The Lehigh Valley Coal Company. It is admitted that D. G. Reid and E. T. Stotesbury are directors in both the Lehigh Valley Railroad Company and The Lehigh Valley Coal Company, and that L. D. Smith, a vice president of the railroad company, is a director of the coal company. It is also admitted that I. A. Stearns was at one time a director of the Lehigh Valley Railroad Company. It is denied that the above persons or any of them or any other officers or directors or employees of The Lehigh Valley Coal Company were chosen by or at the instance of this defendant, or were chosen to direct and manage the affairs of said coal company in all respects in the interests of the railroad company. It is true that for many years the annual report of The Lehigh Valley Coal Company was published in connection with the annual report of the Lehigh Valley Railroad Company, but it is denied that it was ever treated as the report of a mere department of the railroad company. It is denied that this defendant has ever combined the function of carrier with the function of dealer in any manner whatsoever. The remaining allegations in this section of the petition not hereinabove specifically admitted or denied shall be taken as and are denied.

2. It is denied that the Lehigh Valley Railroad Company recommended to The Lehigh Valley Coal Company the propriety of organizing a coal sales company because of the decision of the Supreme Court of the United States in the case of U. S. *v.* Lehigh Valley Railroad Company, 220 U. S., 257, and is denied that the recommendation it did make in the matter carried with it the plan that the stockholders of the railroad and the stockholders of the new sales company should be identical. It is admitted that the executive and finance committee of the Lehigh Valley Railroad Company met January 9, 1912, and passed the resolution quoted in the petition (except that the resolution stated that the matter of the
142 organization of a sales company should be brought "to the attention of The Lehigh Valley Coal Company"), and that on January 11, 1912, the board of directors of the Lehigh Valley Railroad Company passed the resolution quoted in the petition (except that the dividend mentioned was to be payable February 26, 1912). It is admitted that an extra dividend in cash was paid by the Lehigh Valley Railroad Company to its stockholders in the amount of ten per cent on February 26, 1912, the payment thereof being made without any restriction as to the use or spending thereof. It is denied that the purpose of the Lehigh Valley Railroad Company in recommending the organization of the sales company was the use of such company as a mere instrumentality for retaining under its direction or for its profit any monopoly whatsoever, or that it has accomplished the retention of any monopoly through the organization of the sales company by The Lehigh Valley Coal Company in pursuance of its recommendation or otherwise. The remaining alle-

gations of this paragraph, in so far as they concern the railroad of this defendant, and which have not been hereinbefore specifically admitted or denied, shall be taken as and are denied.

## VIII.

For the further and separate answer it alleges:

1. That as a result of the growth of this defendant's railroad system under the encouragement and policy expressed in the enabling statutes of the Commonwealth of Pennsylvania hereinabove mentioned, this defendant has expended more than $185,000,000 in the construction of its main lines, branches, terminals, sidings, general facilities, and equipment, having a reproduction value of at least $324,000,000. A large part of said railroad system consists of gathering lines, branches, sidings, yards, and large and costly terminals, as well as the greater portion of its equipment, devoted ex-
143 clusively to the transportation and handling of anthracite, as anthracite constitutes about one-half of the total traffic on this defendant's system. All such transportation and handling is conducted under duly published tariffs, rules, and regulations filed with the Interstate Commerce Commission in accordance with the provisions of the act to regulate commerce.

2. That it has no interest, direct or otherwise, in the production or sale of anthracite, save as a common carrier thereof; that no anthracite is manufactured, mined, or produced by it or under its authority, and that it does not transport in interstate or foreign commerce any anthracite in violation of the commodities clause of the act to regulate commerce as amended June 29, 1906.

3. That it is not a party, directly or indirectly, to any agreement, contract, combination, or conspiracy by virtue of which it either alone or in combination with the other defendants or any of them, or otherwise, has acquired the power now or hereafter to regulate, control, restrain, or monopolize, or by virtue of which it either alone or in any combination has controlled, regulated, restrained, or monopolized either the production of anthracite or its transportation from the mines in Pennsylvania to markets in other States, or its price or sale in or throughout other States.

4. That it appears by the petition herein that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes in some of which this defendant is not interested or concerned, and that the petition is therefore multifarious.

5. That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes, in some of which the other defendants are in no manner interested or concerned, and in
144 respect thereof this suit can proceed against it to hearing and decree without the presence of said defendants, wherefore the petition is multifarious.

## IX.

This defendant prays that it may, under the rules of court in such cases made and provided, be permitted to avail itself of all matters of defense in law to the merits of the bill in its above answer set forth of which it might have availed itself by demurrer or plea in bar with the same cause and effect as though it had filed a separate demurrer or demurrers, plea or pleas, in bar.

Wherefore this defendant prays to be hence dismissed with its reasonable costs in this behalf most wrongfully sustained.

LEHIGH VALLEY RAILROAD COMPANY,
By L. D. SMITH,
*Vice President.*

EDGAR H. BOLES,
JOHN G. JOHNSON,
*Solicitors for Defendant.*

[4639]
(Indorsed:) U. S. District Court, S. D. of N. Y. Filed May 14, 1914.

145 In the District Court of the United States, Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*vs.*
THE LEHIGH VALLEY RAILROAD COMPANY, the New York and Middle Coal Field Railroad and Coal Company et al., defendants. } In Equity, No. 11-129.

The separate answer of The Lehigh Valley Coal Company.
Allan McCulloh, F. W. Wheaton, solicitors for defendants.

146 In the District Court of the United States, Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*vs.*
LEHIGH VALLEY RAILROAD COMPANY, LEHIGH Valley Coal Company et al., defendants. } In Equity, No. 11-129.

*The separate answer of The Lehigh Valley Coal Company.*

This defendant now and at all times hereafter, saving and reserving unto itself all benefit and advantage of exception which can or may be had or taken to the many errors, uncertainties, and imperfections in the said petition contained, for answer thereto, or to so

much thereof as this defendant is advised it is material or necessary for it to answer, saith:

I.

This defendant denies that it is a party to a combination
147 and conspiracy to restrain and monopolize interstate and foreign trade and commerce in anthracite coal, and denies that it is in any way, either by itself or with others, attempting to monopolize, or is monopolizing, a part of such trade and commerce in violation of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies" (26 Stat., 209), as alleged in the first paragraph of the petition. If the other matters set out in said first paragraph of the petition are material, it prays that the same may be duly proved.

II.

(Subdivision 1.)

It admits that the Lehigh Valley Railroad Company is a corporation chartered under the laws of the Commonwealth of Pennsylvania, with general offices at 228 South Third Street, Philadelphia, Pa., and that it has offices for some of its departments at 143 Liberty Street, New York, N. Y.

It admits that said railroad company is a common carrier engaged in carrying passengers and miscellaneous freight in interstate commerce, and transporting anthracite coal from mines and other points in Pennsylvania to markets in other States. Except as herein set forth this defendant, being without sufficient knowledge, does not admit any of the matters alleged in subdivision 1 of paragraph II of the petition, and prays that if material the same may be duly proved.

148 (Subdivision 2.)

This defendant admits that it is a corporation organized under the laws of the Commonwealth of Pennsylvania, and alleges that it is authorized to own and lease coal lands and operate coal mines in said Commonwealth, and to buy, sell, and otherwise deal in anthracite coal in that and other States.

It admits that it has general offices at 228 South Third Street, Philadelphia, Pa., and that it has offices for its general auditor and its secretary and treasurer at 143 Liberty Street, New York, N. Y.

It admits that its outstanding capital stock is $1,965,000—39,300 shares of $50.00 each par value—all of which, except qualifying shares, is owned by the Lehigh Valley Railroad Company, and avers that said railroad company is authorized and empowered to own and hold said stock.

It admits that its funded debt is about $20,296,000, and its assets are about $35,000,000.

It denies that it ships or sells any anthracite coal in interstate commerce, and alleges that it sells all its coal within the Commonwealth of Pennsylvania, and ships no anthracite coal whatever.

It buys no coal for resale.

It admits that it holds in fee and by leases about 54,229
149 acres of land in the anthracite-producing regions of Pennsylvania, of which 24,748 acres are located along the lines of the Lehigh Valley Railroad, within the coal measures and contain widely varying quantities of anthracite coal, which varies also in quality.

It alleges that the total acreage of coal lands so held by it is about ten and three-tenths per centum of the total acreage of anthracite coal lands in the districts in which said defendant's coal lands lie, and that the total acreage of coal lands so held by it is about twenty-two and three-tenths per centum of the total acreage of anthracite coal lands lying along the lines of the Lehigh Valley Railroad and naturally and conveniently tributary to said railroad.

It alleges that in terms of tonnage the total number of tons of anthracite coal produced by it annually is about nine per centum of the total annual tonnage of anthracite coal produced in the districts in which it operates, and that the total annual tonnage so produced by it is about nineteen per centum of the total annual tonnage produced from the anthracite lands along the lines of the Lehigh Valley Railroad, and naturally and conveniently tributary to it for transportation.

(See Ex. 1, hereto attached.)

(Subdivision 3.)

This defendant admits that the Lehigh Valley Coal Sales Company is a corporation organized under the laws of the State
150 of New Jersey, and is engaged in purchasing, shipping, and selling anthracite coal, and that under contract with the defendant it is buying and since March 1, 1912, has been buying all of defendant's coal at the defendant's mines within the Commonwealth of Pennsylvania, except a small amount which defendant sells to its own employees for their personal consumption, and locally at retail, which is hauled from defendant's collieries by wagon or such as it sells directly to the Lehigh Valley Railroad Company, all of which is delivered at the breaker.

This defendant alleges that it sells all coal produced by it at the breakers where the same is produced, within the Commonwealth of Pennsylvania, and that it ships no coal, either by railroad or otherwise.

(Subdivision 4.)

This defendant admits the allegations of subdivision 4 of Paragraph II of the petition as to Coxe Brothers & Co., Inc., down to

the last sentence, but it does not admit that the Lehigh Valley Coal Sales Co. sells the output of Coxe Bros. & Co., Inc., "principally in interstate commerce," concerning which allegation defendant has no knowledge and makes no admission, but prays that if the same be material it shall be strictly proved, and it specifically denies that this defendant buys or "takes over" any coal from Coxe Bros. & Co., Inc., and avers that all of said coal is sold by Coxe Bros. & Co., Inc., directly to the Lehigh Valley Coal Sales Co.

151 (Subdivision 5.)

This defendant has no knowledge of the allegations contained in subdivision 5 of Paragraph II of the petition concerning the Delaware, Susquehanna & Schuylkill R. R. Co., beyond the mere existence and location of said railroad, and does not admit the truth of said allegations, but prays that if the same be deemed to be material they shall be strictly proved.

(Subdivision 6.)

This defendant admits the allegations of subdivision 6 of Paragraph II of the petition concerning the New York & Middle Coal Field Railroad and Coal Company, except that its capital stock consists of 60,000 shares of $25.00 each par value, instead of 30,000 shares of $50.00 each par value, as alleged. Nine hundred and eighty-two acres of its lands are leased to the Midvalley Coal Co., and about three hundred and eleven acres of its lands are leased to this defendant.

(Subdivision 7.)

This defendant admits the allegation of subdivision 7 of Paragraph II of this petition, except that there is no Hazleton County in the State of Pennsylvania and that the operations of the G. B. Markle Co. are in Luzerne County, Pennsylvania. It admits that all of the coal of the G. B. Markle Co. is delivered by said
152 G. B. Markle Co. to the Lehigh Valley Coal Sales Co., at the mines, and is by said sales company shipped and sold.

(Subdivision 8.)

This defendant has no knowledge of the allegations of subdivision 8 of paragraph II of the petition and does not admit that said allegations are true, but prays that if the same be deemed material they be strictly proved.

(Subdivision 9.)

This defendant only knows by hearsay that some of the individuals named in subdivision 9 of paragraph II of the petition are directors of some of the companies other than defendant therein named.

It admits that Lyman D. Smith, Edward T. Stotesbury, and Daniel G. Reid are three of the six directors of defendant company.

As to all the other allegations of said subdivision 9 of paragraph II of the petition this defendant prays that if the same be material they be strictly proved.

III.

(Subdivision 1.)

This defendant denies that anthracite is an article of prime necessity anywhere. It avers that other fuels, including wood, bitu-
153 minous coal, and coke, are for many purposes equally as good, and are used throughout large sections of this country and Canada in place of and to the exclusion of anthracite.

Anthracite coal of sizes smaller than chestnut is used extensively for steam purposes, and the sizes below pea coal are of very little value, except for steam purposes, but all of the steam sizes of anthracite are in keen competition with bituminous.

This defendant denies that in value of output anthracite coal is surpassed only by pig iron and bituminous coal among all the mineral products of the United States.

It admits that at all times the annual value of pig iron and bituminous coal has been far in excess of the annual value of anthracite.

In 1907 the annual value of the copper output exceeded the annual value of anthracite by more than $10,000,000.

In 1909 the value of clay products exceeded the value of anthracite by more than $17,000,000, and again in 1910 by about $10,000,000.

In 1912 the value of the copper output exceeded the value of the anthracite output by more than $27,000,000.

In 1912 the value of the output of bituminous coal exceeded the value of the anthracite output by more than $340,000,000.

154 (Subdivision 2.)

This defendant admits that with few exceptions the only known deposits of anthracite coal of present economic value underlie an area in neighboring counties of eastern Pennsylvania and that the deposits thereof extend to and are included within the districts of said State, substantially as set forth in subdivision 2 of Paragraph III of the petition, but if the allegations of said petition in this respect and in respect of comparative areas and distances and character of coal are pertinent and material it prays that strict proof thereof be made.

(Subdivision 3.)

This defendant has no knowledge of the allegation contained in subdivision 3 of Paragraph III of the petition as to the profits made by railroads in the transportation of anthracite coal and does not admit the truth of said allegation, but prays that if the same be deemed material it be strictly proved.

(Subdivision 4.)

This defendant denies that "New York Harbor" is the principal market or the principal distributing point for anthracite coal produced or sold by it.

All of the anthracite coal which this defendant owns or controls is produced by it and is sold and delivered by it to purchasers at the mines within the Commonwealth of Pennsylvania.

155 It admits that the Lehigh Valley Railroad has a terminal at Perth Amboy in the State of New Jersey, and that Buffalo, N. Y., is an important market and distributing point for anthracite coal.

As to each and every the other allegations contained in subdivision 4 of Paragraph III of the petition this defendant is without sufficient knowledge to make answer, and prays that if said allegations be deemed material they shall be strictly proved.

IV.

This defendant denies the alleged "combination, conspiracy, and monopoly" set out in Paragraph IV of the petition.

It specifically denies that it has been and is a party to any combination or conspiracy to restrain and monopolize the production, transportation, and sale of anthracite coal, or either of said things, and it denies that it is or has been monopolizing or attempting to monopolize the production, transportation, and sale in interstate commerce of anthracite coal from mines and lands located along the lines of the Lehigh Valley Railroad by acquiring control of the output of independent producers, by obtaining undue preferences and advantages, by discrimination by itself or in its behalf, or by any other means, or in any other way whatsoever.

It denies that it has been doing, or is doing now, or has been or is now attempting to do any of the unlawful things charged
156 against it in said Paragraph IV of the petition, either in conjunction with the other parties therein named or any of them, or by itself or in any other manner whatsoever.

V.

(Subdivision 1.)

This defendant avers that the Luzerne Coal & Iron Co. was incorporated under the laws of the Commonwealth of Pennsylvania in 1868, with a capital stock of $600,000. The Green Land Co. was incorporated under the laws of Pennsylvania in 1871, with a capital stock of $50,000.

Under the laws of Pennsylvania the Luzerne Coal & Iron Co. and the Green Land Co. were merged, and a new name was duly certified, to wit, The Lehigh Valley Coal Company, November 13, 1875.

This defendant admits the acquisition by it of the anthracite lands, collieries, and mining business set forth in the subdivisions lettered from (a) to (t), both inclusive, and in the tabulation following in subdivision 1 of paragraph V of the petition, and that said acquisitions were substantially made in the manner set forth in the petition.

This defendant denies that in any of these acquisitions it was unlawfully or unduly or improperly dominated or controlled by the Lehigh Valley Railroad Company, through stock ownership or otherwise.

157 This defendant avers that all the shares of stock in said coal companies and all the coal lands and mining rights purchased or acquired by it were purchased or acquired by it as a separate, independent, and bona fide corporation, in the normal and natural course of its lawful business, in the exercise of lawful powers plainly granted by its charter and in pursuance of the plain and lawful purposes of its incorporation, and that said lands and mining rights were acquired by it with the intention of mining the coal therefrom and thereunder, and to secure to this defendant the means to compete in the markets in the production and sale of a commodity for the mining and sale of which it was organized under the law.

It denies that these acquisitions and transactions were made or entered into for the purpose of suppressing competition and securing to the Lehigh Valley Railroad a monopoly of the production of anthracite coal from mines and lands tributary to the lines of said railroad, and of the transportation and sale thereof amongst the States.

This defendant avers that the total amount of anthracite coal produced from all the sources named is less than one-fifth of the anthracite coal produced from the mines and lands which lie along and are naturally tributary to the Lehigh Valley Railroad.

(Subdivision 2.)

158 The New York & Middle Coal Field Railroad & Coal Co. leased to this defendant in 1907 about 311 acres of coal. In 1889 it leased to the Midvalley Coal Company about 982 acres of coal.

As to the other allegations of subdivision 2 of paragraph V of the petition, this defendant has not sufficient knowledge to make answer, and prays that if the same be deemed pertinent and material they may be strictly proved.

(Subdivision 3.)

This defendant has no knowledge of the allegations contained in subdivision 3 of paragraph V of the petition as to "defeat of projected competitive railroad."

It never had any knowledge of any of said matters, and if it is intended to allege that it did, or that it had any part in any of the matters therein alleged, it denies said allegations.

It prays that if the allegations of said subdivision 3 of paragraph V of the petition be deemed material, they be strictly proved.

(Subdivision 4.)

This defendant admits that Coxe Bros. & Co., Inc., was in 1905 a large producer of anthracite coal, and that said company operates collieries at Drifton, Eckley, Stockton, Beaver Meadow, Derringer, Oneida, and Tombicken.

Its collieries are along The Delaware, Susquehanna and Schuylkill Railroad.

159 Five of its directors are also directors of The Lehigh Valley Coal Company.

The output of Coxe Bros. & Co., Inc., was formerly sold to The Lehigh Valley Coal Company upon a 65 per cent contract, but since May, 1913, none of its coal has been sold to The Lehigh Valley Coal Company or turned over to it in any manner whatsoever.

Except as herein set forth, this defendant, being without further knowledge, does not admit any of the matters alleged in subdivision 4 of paragraph V of the said petition and prays that if the same be deemed material they shall be strictly proved.

(Subdivision 5.)

This defendant admits the existence and location of The Delaware, Susquehanna and Schuylkill Railroad Company.

It has no knowledge of any of the other allegations of subdivision 5 of paragraph V of the petition, and does not admit the truth of any of said allegations, but prays that if the same be deemed material they shall be strictly proved.

(Subdivision 6.)

This defendant denies that at any time it entered into any unlawful agreement, contract, scheme, combination, or conspiracy by which the parties thereto acquired or sought to acquire the power to

160 control, regulate, restrain, or monopolize either the production of anthracite coal or its transportation from the mines in Pennsylvania to any other points, or its price or sale at any points; or that as the result of any action to which this defendant was a party, competition in the transportation or sale of anthracite coal has been in whole or in part unlawfully suppressed or the price thereof to consumers in any degree unlawfully enhanced. This defendant denies, as it has heretofore denied, that it ever entered into any illegal combination or into any combination in furtherance of any illegal purpose.

For many years, commencing prior to 1892, this defendant had contracts with some of the miners of coal at points along the lines of the Lehigh Valley Railroad for the purchase of all or a portion of the output of their mines. Subsequently to 1892 this defendant entered into contracts with a number of other such miners for the purchase of their output for a stated percentage of the average price of such coal prevailing at tidewater.

These contracts were the result of prolonged negotiations between the miners and shippers of coal, and this defendant entered into them with a view to reducing the cost of the distribution of coal mined along the lines of the Lehigh Valley Railroad, and thus to the benefit not only of the miners and shippers but also of the consumers of such coal. After these contracts had continued in force for some
161 years, at the instance of the miners of coal who had entered into the same, they were terminated and other contracts were entered into by which said miners agreed to sell to this defendant all the anthracite coal thereafter mined from such mines, as by each separate agreement might be specified, for the price as to prepared sizes of anthracite coal of 65 per centum of the market price of such coal at tidewater, to be determined in the manner provided in the agreement. By said contracts it was expressly provided that this defendant, as buyer, should order monthly from the miner a just proportion (measured by the colliery capacity of the seller) of the entire quantity of coal which this company had agreed to purchase, and not less than a just proportion of all the anthracite coal which the requirements of the market might from time to time demand. The main inducement to this defendant for entering into said contracts was the provision therein made for a higher standard of preparation of said coal for market. This defendant denies that either directly or indirectly it fixed the percentages to be paid by it under said contracts at a point which bore such a relation to the published rates of transportation that any independent operator who entered into one of such contracts realized more on his coal per ton than was realized by any other independent operator who shipped coal equally well prepared upon his own account and paid the published rates of transportation therefor. This defendant denies that it paid any sum whatever, either directly or indirectly, for the privilege of
162 controlling the sale or disposition of the anthracite coal mined by the so-called independent operators with a view to preventing them from selling their output in competition with the output of defendant's own mines. This defendant denies that said contracts were other than contracts for the purchase and sale of coal mined, as appears by their terms, and denies specifically that they were mere devices to stifle competition or to create a monopoly in the sale of anthracite coal as alleged in subdivision 6 of paragraph V of the petition. The effect of said contracts was to cause miners who complied therewith to prepare their coal in a better way, so that it was of a more uniform quality and therefore more acceptable to consumers than coal not so prepared. The difference in price, if any, realized from the sale of such coal was largely due to its superior preparation.

This defendant denies that in respect of coal purchased under these contracts it lost money.

Without admitting the correctness of the figures opposite the items at the bottom of page 35 of the petition set out for the purpose of illustrating defendant's alleged losses, of which this defendant has

no knowledge, this defendant alleges that said illustration is wrong and fallacious, because it goes upon the assumption that the defendant sold at tidewater, or for tidewater prices, all of the coal which it purchased under said contracts, whereas, in truth and in fact, only a small portion of said coal was sent to tide and by far the largest part of it was sold in better markets and at prices
163 very much in excess of those which prevailed at tidewater.

New York was not defendant's principal market.

If at any time defendant sustained losses upon the comparatively small quantities of its purchase coal which it sent to tide, it more than made good such losses by the higher prices which it received for the bulk of said coal in other markets.

No losses of this defendant were recouped by advances made to it by the Lehigh Valley Railroad Company.

This defendant has no knowledge concerning the allegation that the Lehigh Sales Company since the decree of May 26, 1913, buys coal from substantially the same independent operators who prior to that decree were selling to this defendant, and does not therefore admit the truth of said allegation, but prays that if the same be deemed material it shall be strictly proved.

This defendant admits that by a decree of the United States District Court for the Eastern District of Pennsylvania, entered May 26, 1913, all of these contracts then in existence were annulled, and avers that since the entry of said decree defendant has in no wise attempted to make use of any of said contracts and has bought no coal for resale.

164 (Subdivision 7.)

This defendant avers that it produces coal of as good quality as that produced by the G. B. Markle Company from its own lands in the same locality.

It denies that there is any "natural drainage" of the mines of the G. B. Markle Company, and avers that the water in some of said mines is pumped, and in some of said mines is carried off through a drainage tunnel between four and five miles in length, which was built at great expense and is owned by the Jeddo Tunnel Company, to whom the G. B. Markle Company pays rentals for the use of said tunnel.

This defendant denies that the Lehigh Valley Railroad Company in any way caused the contract of December 30, 1889 (Exhibit No. 1), to be executed by it, and avers that defendant executed said contract in good faith, for its own business purposes, and that it was empowered and authorized so to do by the plain language of its charter.

It denies that it was its purpose in entering into said contract to monopolize the transportation and sale of anthracite coal along the lines of the Lehigh Valley Railroad.

It avers that under the said contract the G. B. Markle Company was at liberty to ship its coal over any railroad it saw fit or by any suitable method of transportation which it might select.

165 Since March 1, 1912, this defendant has taken no coal under said contract but by the tacit assent of the G. B. Markle Company and itself; the G. B. Markle Company's coal has been delivered by said Markle Company to the Lehigh Valley Coal Sales Company, which has acted as the sole selling agent for the same, as is alleged on page 8 of the petition, and again on page 60 of the petition.

(Subdivision 8 (a).)

This defendant admits that it has never paid a dividend.

It admits that in some years it has lost money, but it denies that it has lost money since 1902.

It avers that the mining, preparing, and selling of anthracite coal is a business of more than ordinary financial hazard and risk, and that this is particularly so where the operating company, as is this defendant, is to a very large extent operating as a lessee of the coal.

This defendant avers that whenever it has lost money it has lost it because of some legitimate business reason.

It admits that prior to 1903, whenever it required capital for carrying on its business, it borrowed from the Lehigh Valley Railroad Company. Since 1902 it has borrowed no money from said railroad, except perhaps in small amounts for short time, which has all been promptly and fully repaid.

166 This defendant admits that the figures set forth in subdivision 8 (a) of paragraph V of the petition are substantially correct down to the payment by defendant to the Lehigh Valley Railroad Company, March 1, 1912, of the sum of $2,809,666 as interest at 4 per cent upon the $10,537,000 certificates of indebtedness, which payment is admitted, and the allegation of the retirement of said certificates of indebtedness by the payment of $3,037,000 in cash and $7,500,000 in Lehigh Valley Coal Company's debentures, which is also admitted.

This defendant avers that this was a bona fide transaction between independent corporations and denies that it was a cover for a rebate by the railroad company to the coal company.

This defendant alleges that the interest rate of 4 per cent paid on said certificates of indebtedness was a fair rate of interest, and denies that it was unreasonably low.

It alleges that in justice and lawfully only simple interest was payable.

It denies that the interest—4 per cent—stipulated in the bond issue of $7,500,000, as aforesaid, is unreasonably low, and alleges that it is a full fair rate of interest.

It denies that "in every case where Lehigh Coal Company has issued bonds intended to be disposed of to persons other than
167 Lehigh Railroad, &c., the interest rate has been 5 per cent and higher," as alleged in the petition, and avers that there are now outstanding and in the hands of the public as buyers $1,400,000 of the bonds of The Lehigh Valley Coal Company, bearing interest at 4 per cent.

This defendant avers that each and every of the financial transactions referred to in subdivision 8 (a) of paragraph V of the petition was proper and lawful, and that none of them was a rebate or undue preference granted by the Lehigh Valley Railroad Company to The Lehigh Valley Coal Company, and that none of them, nor all of them together, amounted to an act in furtherance of a conspiracy or monopoly controlling or attempting to control the production, sale, and transportation of anthracite coal in interstate commerce or otherwise.

(Subdivision 8 (b).)

This defendant has no knowledge of the allegation of subdivision 8 (b) of paragraph V of the petition, and does not therefore admit the truth thereof, but prays that if it be deemed material it shall be strictly proved.

(Subdivision 8 (c).)

This defendant denies that the Lehigh Railroad has given money to it by purchasing the stocks of corporations owning coal properties and reselling them to this defendant at prices much lower than those paid by said railroad.

168 This defendant avers that in every instance, including the examples given in the tabulation at the bottom of page 47 of the petition, this defendant has paid for said stocks bought by it at least the sums of money which said stocks had cost the railroad company at the time of said defendant's purchase of them.

(Subdivision 8 (d).)

This defendant, admitting the figures set forth in subdivision 8 (d) of paragraph V of the petition, denies that the rentals charged by the railroad company to the coal company were less than the true rental values at the time the leases thereof were made.

It is true that as of March 1, 1912, the coal company increased the rentals to the Lehigh Company, but that was to realize a 4 per cent return upon a new physical valuation of said properties completed about March 1, 1912, which showed an increase in value of said properties beyond that at which they had before that time been held and considered to be worth.

(Subdivision 8 (e).)

This defendant denies each and every allegation set forth in subdivision 8 (e) of paragraph V of the petition.

(Subdivision 9.)

169 This defendant admits that it has at times in the past leased portions of its coal lands to other operators. While the acreage so leased appears large, in point of numbers these leases were comparatively few.

Many of them contained no stipulation as to the transportation of the coal. A few of them provided that preference of shipment

should be given the Lehigh Valley Railroad Company by the lessee, provided that the rates charged by that railroad were the same as those charged by other roads, and other conditions were equal. This defendant avers that it never attempted to compel a lessee to comply with this provision, and denies that the stipulation has the effect of giving unreasonable preferences to the lessees in violation of section 3 of the act to regulate commerce (24 Stat., 379), and of causing departures from the published rates in violation of section 6 of the act to regulate commerce as amended June 29, 1906 (34 Stat., 584), and of the Elkins Act (32 Stat., 847), or any of said acts.

This defendant denies that the purpose and effect of said stipulations are to further or create any monopoly on the part of the railroad of the transportation of coal produced along its line; and the defendant further averring that it ships no coal, and has shipped none since March 1, 1912, alleges that if all the coal produced by it were shipped over the Lehigh Valley Railroad it would amount to
less than one-fifth (1-5) of the anthracite coal located and pro-
170 duced along the lines of said railroad and near enough thereto
to be served by said railroad in the normal course of business.

(Subdivision 10.)

This defendant has no knowledge of the allegations of subdivision 10 of Paragraph V of the petition, except as to alleged leases to it, and does not admit that said allegations are true, but prays that if the same be deemed material they shall be strictly proved.

As to the properties formerly leased to this defendant, all of which are now leased to the Lehigh Valley Coal Sales Company, said sales company is not required expressly or impliedly in routing shipments to any given preference to the Lehigh Railroad or lines preferred by it.

This defendant as to said properties alleged to have been leased to it, to wit, at Geneva, N. Y.; Irvington, N. J.; Jersey City, N. J.; Newark, N. J.; Rochester, N. Y., and South Plainfield, N. J., avers that it paid a full fair rental for the same. It denies that the leases aforesaid, of which it has knowledge, violate the act to regulate commerce and the Elkins Act, or either of them.

(Subdivision 11.)

The defendant admits that it has leased coal yards, trestles, and storage facilities to dealers in anthracite coal, stipulating that said
dealers buy exclusively or in specified large quantities from
171 this defendant. It admits that it has made such leases to the
parties named in the tabulated statement in this subdivision of the petition, located at the places named in said tabulation, only two of which are along the lines of the Lehigh Valley Railroad. This defendant alleges that said leases were made in the ordinary, proper, necessary, and lawful course of this defendant's business, and not for the purpose of monopolizing the sale of coal from mines tributary to the Lehigh Valley Railroad.

This defendant further avers that said leases no longer exist, and that since March 1, 1912, it has not sold nor shipped to any of the persons or corporations named therein any coal whatsoever.

(Subdivision 12.)

This defendant admits that it always paid the published freight rates when it was a shipper of coal. It denies that it recouped anything whatsoever, either out of any alleged profits of transportation by the Lehigh Valley Railroad or otherwise howsoever. As to all of the other allegations of subdivision 12 of Paragraph V of the petition this defendant has no knowledge and does not admit the truth thereof, but prays that if the same be deemed material they shall be strictly proved.

VI.

This defendant denies the allegations of unlawful conspiracy and "virtual" monopoly of the production, transportation,
172 and sale in interstate and foreign commerce, or either, of anthracite coal mined from lands located along the lines of the Lehigh Valley Railroad, or near enough thereto to be served by them in the normal course of business, as set forth in Paragraph VI of the petition. It admits, upon information, that the Lehigh Valley Coal Sales Company is the selling agent for the G. B. Markle Co. It is without sufficient knowledge as to the other matters alleged in said Paragraph VI of said petition to enable it to make answer thereto, and does not admit the truth thereof, but prays that if the same be deemed material said allegations shall be strictly proved.

VII.

(Subdivision 1.)

This defendant avers that subdivision 1 of Paragraph VII of the petition is an argumentative summary and repetition of the general allegations of the petition. As to the allegations contained in said subdivision 1 of Paragraph VII heretofore, in this answer, admitted by this defendant, it admits said allegations again. As to all the allegations in said subdivision 1 of said Paragraph VII not so heretofore admitted this defendant denies each and every of said allegations, wherever the same charge or insinuate or suggest any unlawful, wrongful, or improper act on the part of this defendant, either by itself or in conjunction with others, or any act whatsoever producing or intending or attempting to produce any improper, wrongful, or unlawful result.

173 (Subdivision 2.)

This defendant admits that on January 11, 1912, its directors met and passed a resolution looking to the incorporation of the Lehigh Valley Coal Sales Company.

It admits that thereafter, to wit, on or about January 19, 1912, said sales company was incorporated in the State of New Jersey.

It has heretofore admitted the extent of identity between directors of this defendant and directors of said sales company, but it denies that any of the directors of said sales company were elected because of their connection with this defendant company. It believes that the enumeration of officers and location of offices is substantially correct.

This defendant admits entering into the contract of March 1, 1912 (Exhibit No. 3). It admits the provisions of said contract quoted in section (a) of subdivision 2 of Paragraph VII of said petition, but it denies that the prices therein stipulated for were unreasonably low, and avers that they were full fair prices for said coal. Practically no sizes of coal smaller than "prepared sizes" were shipped to Buffalo or points west and north of Buffalo for storage, and such smaller sized coal was in the nature of a by-product reclaimed by screening, and used to be so treated and regarded by this defendant, and as such was sold for what it would bring, often only a few cents a ton.

174 This defendant admits the recital and quotation from the contract of March 1, 1912, set forth in section (b) of subdivision 2 of paragraph VII of the petition but denies that prices were materially lower than those prevailing at the time the contract was made and lower than the prices paid by this defendant to other producers. This defendant avers that the then prevailing prices were 65 per cent of the average tidewater prices for prepared coal, and certain lower percentages for smaller sizes.

The contract of March 1, 1912, was entered into after prolonged negotiations between this defendant and the sales company. Up to that time this defendant had been selling its own coal.

It sold its coal as far to the northeast as Maine and that vicinity, as far south as Tennessee, as far west as Kansas, in the Northwest up to Superior, and to the north as far as Toronto, Canada, and its vicinity.

It had been making strenuous efforts to broaden and extend its markets, and to that end had established selling points and selling facilities in many places comparatively new, in which at the time of the negotiations it had not sufficiently become established to make its sales profitable.

It realized that business emergencies might arise which might compel it to again resume the sale of its own coal. It was
175 unwilling, therefore, that its policy of broadening, extending, and increasing the markets for its coal should be narrowed or restricted by the cutting out of those places which at that time had not gotten upon a profitable basis.

It insisted that the sales company should continue to work up those markets and should in no wise abandon them, although both companies knew that for a time the developments of those markets would result in loss to the sales company. For this reason largely the temporary concessions in prices were made to the sales company, referred to in section (b) of subdivision 2 of paragraph VII of the petition, and this defendant avers that under the circumstances of

business these concessions were fair and just and entirely warranted, and the prices to be paid resulting therefrom were full fair prices.

This defendant was desirous of ceasing to be engaged in interstate business. It had to sell its product to somebody who would take it all for cash at the mines, and it made the contract of March 1, 1912, in a bona fide effort to achieve the result of thereafter being free from being engaged in interstate trade.

It admits the assignments referred to in section (c) of subdivision 2 of paragraph VII of the petition and repeats its answer heretofore made as to leases requiring the lessees to buy coal from it.

176 It admits the allegations of sections (d) and (e) of subdivision 2 of paragraph VII as to the terms of the contract therein referred to but denies tah the same was not a bona fide transaction and avers that said contract was made in good faith.

It denies each and every allegation of said subdivision 2 of paragraph VII which in any way refers to it and which is not hereinbefore admitted, and as to such allegations as do not refer to this defendant it alleges that it has no knowledge and prays that the same, if material, shall be strictly proved;

Wherfore this defendant prays that the petition be dismissed as against it, with costs.

THE LEHIGH VALLEY COAL COMPANY,
[SEAL.] By F. E. W. CHASE,
*Vice President & General Manager.*

177 VIII.

For a further and separate answer, this defendant alleges:

1. That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes, in some of which this defendant is not interested or concerned, and that the petition is therefore multifarious.

2. That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes, in some of which other defendants are not in any manner interested and concerned, and in respect thereof this suit can proceed against it to hearing and decree without the presence of said defendant; wherefore the petition is multifarious.

Wherefore defendant prays that the petition be dismissed as against it, with costs.

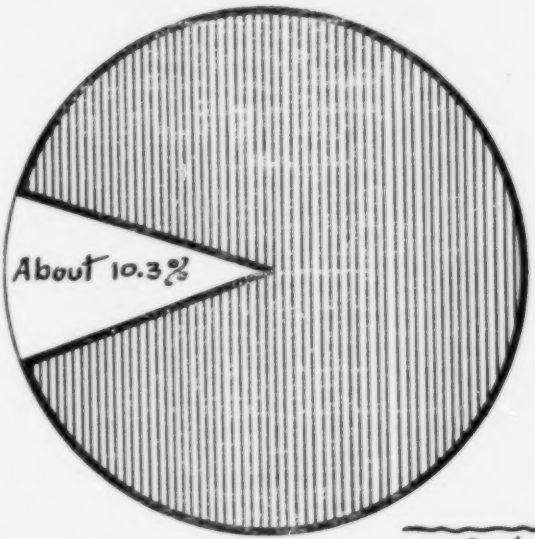
THE LEHIGH VALLEY COAL COMPANY,
[SEAL.] By F. E. W. CHASE,
*Vice President and General Manager.*

ALLAN MCCULLOH,
F. W. WHEATON,
*Solicitors for Defendant.*

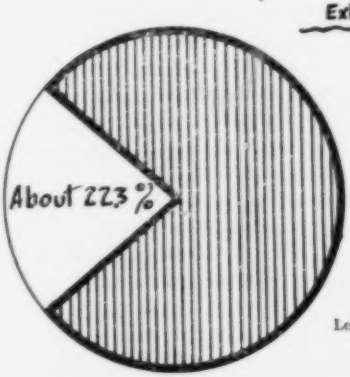
(Indorsed:) U. S. District Court, S. D. of N. Y. Filed May 1, 1914.

178

Full circle shows total anthracite acreage.
Open area shows total L.V.C.Co. acreage.




L.V. Coal Co.
Exhibit #7




United States
v.
Lehigh Valley R. R. } No. 363

Full circle shows anthracite acreage naturally and conveniently tributary to L.V.R.R.

Open area shows L.V.C.Co. acreage which transports over L.V.R.R.

179 In the District Court of the United States, Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,

*vs.*

LEHIGH VALLEY RAILROAD COMPANY, LEHIGH Valley Coal Company, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Railroad Company, New York and Middle Coal Field Railroad and Coal Company, G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George B. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants. | In Equity, No.—.

Separate answer of Lehigh Valley Coal Sales Company.

Everett Warren, Nicholas W. Hacker, solicitors for Lehigh Valley Coal Sales Company.

180 In the District Court of the United States, Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,

*vs.*

LEHIGH VALLEY RAILROAD COMPANY, LEHIGH VALLEY COAL COMpany, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Railroad Company, New York and Middle Coal Field Railroad and Coal Company, G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants.

*The separate answer of the defendant, Lehigh Valley Coal Sales Company.*

The defendant, Lehigh Valley Coal Sales Company, now and at all times saving and reserving unto itself all benefit and advantage of exception which can or may be had or taken to the many errors, uncertainties, and imperfections in the petition contained, for answer thereto, or to so much thereof as this defendant is advised it is material or necessary for it to answer, saith:

181 First. This defendant denies that it is a party, directly or indirectly, to any agreement, contract, combination, or conspiracy by which it either alone or in combination with the other defendants or any of them restrains and monopolizes interstate and foreign trade and commerce in anthracite coal, or that it has ever monopolized, or that it is now attempting to monopolize or is monopolizing any part of such trade and commerce, or that it has at any time attempted so to do in violation of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or of any other law, Federal or State, or that it is a party, directly or indirectly or in any way, to any combination and conspiracy in violation of a portion of section one (1) of the act of Congress entitled "An act to regulate commerce," as amended June 22, 1906, known as the commodity clause.

Second. This defendant is a corporation organized under the laws of the State of New Jersey, securing its charter on the twenty-second day of January, 1912, for the purpose of purchasing and selling and dealing in anthracite coal and bituminous and other coal or coals, with authority to act as sales and purchasing agent of any and all of said goods, with the right to construct, purchase, maintain, operate, lease, and use piers, docks, plants, boats, cars, and generally to do all such things as are associated with the purchase, handling, storage, distribution, and sale of anthracite and bituminous coal in the United States and elsewhere. As alleged in the petition, its principal office is at 15 Exchange Place, Jersey City; its operating office and central place for the transaction of its business is at 90 West Street, New York City; it maintains offices and agencies
182 in several cities, among them Buffalo, Boston, Allentown, Pa., Syracuse, Chicago, Milwaukee, and Minneapolis—wherever in its judgment it can best transact its business and develop and enlarge its trade. Its outstanding capital stock as of April 9th, 1914, was $7,542,500—150,850 shares of $50 each, in addition to which there were fractional shares equivalent to 281½ shares. At no time was the outstanding capital stock the figure stated in the petition. The stock has been freely dealt in by the public on the curb ever since the organization and continuously and is to-day. There are constant changes in the stock holdings; e. g., between October 10, 1913, and April 9, 1914, there were 270 new stockholders' accounts opened and 284 closed. The stock is widely distributed; the number of stock accounts registered in the name of or represented by trustees guardians, executors, including stock in names of decedents, as of April 9th, 1914, were 338 in number, representing 7,660 full shares; and on that date of the total number of shareholders 1,490, or nearly 42%, were women; there were both foreign and domestic stockholders, the very much larger part of the stock, however, being held by residents of the United States. At no time has Lehigh Railroad or Lehigh Valley Coal Company ever owned a single share of its stock.

This defendant purchases and takes deliveries at the collieries of the Lehigh Valley Coal Company situate in northeastern Pennsylvania, substantially the entire output of the mines of that company. It also purchases from Coxe Brothers & Company, Inc., at the collieries of that company where it takes deliveries, practically all
183 the output of its mines (as it is advised), the output of their mines, however, being normally about 1,200,000 tons, and not 1,400,000 tons, as stated in the petition. From March 1st, 1912, until the end of May, 1913, it purchased this coal through the Lehigh Coal Company, who had a "Sixty-five per cent" contract therefor, this defendant having agreed to take over such contracts Lehigh Coal Company had with operators in the 14th paragraph of its contract with that company of March 1, 1912. (Government's petition, page 99.) As the contract between Lehigh Coal Company and Coxe Bros. & Co., Inc., was cancelled on the 27th day of May, 1913, this defendant has been purchasing this coal since June 1st, 1913, direct from Coxe Brothers & Company, Inc., on the sixty-five per cent contract basis, the arrangement being made by correspondence and subject to termination upon thirty days' notice by either party.

This defendant did purchase for a time anthracite coal from the Forty Fort Coal Company through the Lehigh Coal Company, in pursuance of the coal purchase contract between those two companies, being one of the coal-purchase contracts, so called, referred to in the contract between the Lehigh Coal Company and the defendant of March 1st, 1912 (Government's petition, page 99.) The purchase of the Forty Fort Coal Company's output continued on this basis until June 1st, 1913; from and after June 1st, 1913, a new basis of purchase was agreed upon without any written contract, however, and the defendant has purchased the output of the two collieries of the Forty Fort Coal Company.

This defendant has further purchased coal from the Mount Lookout Coal Company, in the same way and manner as from the Forty Fort Coal Company, i. e., from March 1st, 1912, to June 1st,
184 1913, on the basis of the 65% contract which was in force between the Lehigh Coal Company and the Mount Lookout Coal Company, and from and after June 1st, 1913, on the new basis agreed upon, without any written contract, however.

This defendant has further purchased coal from A. Pardee & Company from March 1st, 1912, to January 1st, 1913, upon the basis and terms of the contract which was in effect between the Lehigh Coal Company and A. Pardee & Company, referred to in the contract between the Lehigh Coal Company and the defendant of March 1st, 1912 (Government's petition, page 99). Effective January 1st, 1913, an entirely new arrangement was entered into between this defendant and A. Pardee & Company whereby this defendant sells their coal, receiving for its services, etc., in so doing an agreed upon commission out of the prices received, and, in addition to such commis-

sion, an agreed charge is borne by A. Pardee & Company in case coal is stocked.

This defendant has further purchased coal from the Raub Coal Company from March 1st, 1912, to December 31st, 1912, on the basis of the 65% contract which was in force between the Lehigh Coal Company and the Raub Coal Company, being one of the coal purchase contracts, so called, referred to in the contract between the Lehigh Coal Company and the defendant of March 1st, 1912 (Government's petition, page 99). January 1st, 1913, a contract was made by the Raub Coal Company with this defendant by which this defendant purchases all the coal the Raub Coal Company mines and produces at what is known as the "Louise" colliery, at prices agreed upon.

The total anthracite and bituminous coal purchased and handled on commission by this defendant during its last fiscal year ending March 31st, 1914, was as follows:

185

| | Percentage of grand total. | Tonnage. |
|---|---|---|
| From: | | |
| Lehigh Valley Coal Co. | 61 | 5,713,636 |
| Coxe Bros. & Co., Inc. | 11 | 1,044,095 |
| Forty Fort Coal Co. | 5 | 431,606 |
| Mt. Lookout Coal Co. | 2 | 143,436 |
| Raub Coal Company | 1 | 102,111 |
| Total | | 7,434,284 |
| Handled on commission: | | |
| G. B. Markle Company | 14 | 1,353,369 |
| A. Pardee & Company | 5 | 477,954 |
| Bituminous | 1 | 110,234 |
| Grand total | 100 | 9,375,841 |

The business transactions for this period amounted to $39,949,629.69. They cover receipts for sales of purchase coals and commissions; payments for coal purchased, payments of freight to different railroads, expenses of management and sales agencies, rentals, taxes, and maintenance of properties.

As appears in the above statement, this defendant also handles and sells a certain quantity of bituminous coal purchased in different markets for sale to customers.

It admits that Lyman D. Smith is one of its directors.

Third. This defendant denies that anthracite coal is an article of prime necessity, but it admits that it is largely used for domestic purposes throughout the New England and Middle Atlantic States, and also in other sections of this country and Canada. The small sizes known as steam sizes are much in demand for steam purposes

186 in and about New York City, Philadelphia, and other large

eastern cities. As to the statements of the average yearly production and value of anthracite coal, this defendant asks if they are material, full proof be made thereof. It admits the regions are divided for trade purposes as stated in the petition. There are other divisions and names utilized for trade purposes by this defendant, however, such as Packer, Cross Creek, Jeddo, Highland, Lehigh, and Hazleton. The statements in the petition as to the varieties of anthracite produced in the several regions this defendant understands to be correctly set forth. This defendant has no knowledge as to the quantity of anthracite coal moving outside of Pennsylvania other than the coal it purchases and handles on commission; it admits, however, that approximately four-fifths of the total coal it handles moves in channels of interstate commerce. It sells, however, over a million tons a year in Pennsylvania, and about a half of this tonnage is marketed at Philadelphia, Harrisburg, and other points considerable distances from Lehigh Railroad, as the following statement of tonnage sold in fiscal year ending March 31st, 1914, shows:

| | |
|---|---|
| Philadelphia | 456,627 tons. |
| So. Bethlehem | 154,996 " |
| Allentown | 112,650 " |
| Wilkes-Barre | 66,433 " |
| Easton | 59,195 " |
| Phillipsburg | 28,355 " |
| York | 14,443 " |
| Harrisburg | 10,896 " |
| Miscellaneous | 295,233 " |
| Total | 1,195,868 tons. |

It denies that New York Harbor is the principal market and distributing point so far as its own affairs are concerned or so far as it has any knowledge of the subject. The total tonnage this de-
187 fendant purchased and sold or handled on commission at New York Harbor points for its fiscal year April 1, 1913, to April 1, 1914, is only 816,053.03 tons out of its total business of approximately ten millions of tons. By New York Harbor this defendant means and assumes to be coal borne to New York City and Brooklyn for consumption there. The facts as to the manner of handling anthracite from New York Harbor points so far as this defendant has knowledge is correctly stated in the petition. This defendant has no knowledge of the total anthracite tonnage handled over Lehigh Railroad during the month of November, 1912, or at any other time, except in so far as to say that there is a considerable tonnage of its competitors' coal transported over Lehigh Railroad and entering into competition with it at various market points. To illustrate this, the shipments over Lehigh Railroad for that month as they appear in the petition (p. 16) are stated below, and also the shipments of this defendant to the same market points.

| | Lehigh Valley Railroad Co. | | L. V. Coal Sales Co. | |
|---|---|---|---|---|
| | Tons. | % of total. | Tons. | % of total. |
| To Perth Amboy | 225,519 | 29% | 163,748 | 27% |
| To Jersey City | 179,454 | 23 | 76,970 | 13 |
| To Phillipsburg | 109,695 | 14 | 51,459 | 8 |
| To Newark | 45,476 | 6 | 33,986 | 5 |
| To Buffalo | 206,639 | 28 | 284,782 | 47 |
| Total | 777,982 | 100% | 610,936 | 100% |

Total shipments, 856,443.

The shipments to Buffalo, 284,702 tons, include coal for shipment beyond Buffalo via lakes and to points in Canada.

The anthracite mine inspectors' report for 1912 shows collieries along lines of Lehigh Railroad and tons shipped over different railroads, including Lehigh Railroad (none of which tonnage was purchased or handled by this defendant), viz:

| Region. | Operator. | Colliery. | L. V. | P. & R. | C. R. R. of N. J. | D. L. & W. | D. & H. | P. R. R. | Total. |
|---|---|---|---|---|---|---|---|---|---|
| Mahanoy | Est. A. L. Van Winkle | Coleraine | 28,981 | 123,680 | 46,354 | | | | 200,015 |
| " | Mill Creek Coal Co. | Middle Lehigh | 55,654 | | | | | 33,655 | 89,309 |
| Schuylkill | Dodson Coal Company | Morea | 18,312 | 179,694 | | | | | 198,006 |
| Wyoming | Elliott, McClure & Co. | Gibbey | 90,544 | | | 113,698 | | | 204,242 |
| " | Plymouth Coal Company | Black Diamond | 31,877 | | | 28,275 | 14,699 | 70,279 | 145,127 |
| " | East Boston Coal Co. | East Boston | 747 | | | 1,979 | | 250 | 2,976 |
| " | East Boston Coal Co. | East Boston, valley | 99,390 | | | 6,700 | | 10,250 | 116,340 |
| " | Kingston Coal Company | Kingston No. 6 | 171,218 | | | 1,100 | 273,571 | 64,843 | 510,732 |
| " | Kingston Coal Co'y. | Kingston washery | 122,347 | | | 313 | 37,865 | 5,921 | 166,446 |
| " | Kingston Coal Company | Kingston No. 2 | 151,200 | | | 255,544 | 40,400 | 616 | 447,760 |
| Lehigh | C. M. Dodson & Co. | Beaver Brook | 141,101 | | 172,861 | | | | 313,962 |
| Total | | | 1,052,954 | 302,740 | 222,017 | 509,830 | 365,990 | 201,760 | 2,654,290 |

189 The same report shows collieries along lines Lehigh Railroad shipping exclusively by it (none of which tonnage was purchased or handled by this defendant), as follows:

| | | Tons. |
|---|---|---|
| Wyoming. | McCauley Coal Co., Pickaway | 9,969 |
| " | Risinger Bros. Co., Inc., Healy | 59,650 |
| " | Wilkes-Barre Anth. Coal Co., Hillman vein | 75,497 |
| " | Risinger Bros. Co., Inc., Troy | 19,983 |
| Lehigh. | J. S. Wentz & Company, Hazle Brook | 89,799 |
| " | Hazle Mt. Coal Co., Hazle Mount | 96,032 |
| " | Harleigh Brockwood C. Co., Harleigh | 64,709 |
| " | Evans Colliery Co., Evans creek | 9,949 |
| Mahanoy. | Midvalley Coal Company, Midvalley No. 1 | 276,296 |
| | Midvalley No. 2 | |
| Total | | 699,315 |

All of this coal in both of these statements, in tonnage in the aggregate 3,343,714 tons, was sold in competition with this defendant's coal, or could have been, that year.

Fourth. This defendant specifically denies that it had at any time or that it now has any undue preference and advantage in the matter of transportation of its purchased coal, or of any coal it handles on commission, by or through or because of the Lehigh Railroad or any other carrier. It specifically denies that the Lehigh Railroad controls it or has at any time controlled it in any way, shape, form, or manner, either to discriminate against its competitors or in any other way, or for any other purpose, or that it has the power so to do. This company has never had given to it by Lehigh Railroad or any of the other defendants, or by any other carrier, any preference, discrimination, or advantage in the matter of transportation of any of the coal it handles or sells; and as to any other matter
190 alleged in this paragraph of the petition other than specifically denied herein it asks full proof.

Fifth. As to Coxe Bros. & Company, Inc., and its product from March 1, 1912, to June 1, 1913, this company purchased its coal on the 65% contract basis through the Lehigh Valley Coal Company as it undertook and agreed to in its contract with that company of date March 1, 1912. From and after June 1, 1913, this defendant has taken the product of Coxe Brothers & Company, Inc., without any contract in writing other than correspondence between the officials of the two companies, settlements for the coal being made on the basis of the 65% contracts, subject to termination by either party on thirty days' notice. This defendant denies that it has purchased coal from substantially the same independent operators the petition (page 35) alleges Lehigh Coal Company purchased from. It has set forth herein its entire purchases of anthracite coal, other than from the Lehigh Valley Coal Company, since the date of its entry into business, and has set forth the terms of its contracts with such purchasers and their variations from time to time. This defendant never purchased any coal from the Temple Iron Company and never had any business relations with that company.

It admits the facts as stated in the petition as to the quality of the G. B. Markle Company coal and as to its trade value and output. This coal is known in the markets as the Jeddo coal and the Highland coal. Since March 1, 1912, it has carried out the terms of the contract of Dec. 30, 1889 (printed in the petition, pages 81 et seq., as Exhibit No. 1), and has been the exclusive selling agent for
191 this coal. There is nothing in this contract evidencing the intention as alleged in the petition to secure the transportation of this coal to Lehigh Railroad, thereby preventing competition. The contrary appears on its face. This contract is not a purchase contract. It is a selling agency on a commission basis. In view of the volume of the tonnage of this quality of coal the G. B. Markle Company have insisted at all times that this defendant should

give its best attention to the development of the trade therein, and this it has done. It takes deliveries of this coal at the mines of the G. B. Markle Company, orders are transmitted to that company and the coal is shipped by the Markle Company to points of destination as indicated in the order. The Markle Company are constantly in touch with this defendant, controlling and directing prices, instructing this company as to prices for its coal in the various markets, effective on a given date and subject to any changes the G. B. Markle Company may dictate. This coal is sold in competition with other coals of this defendant, but does secure a somewhat higher price everywhere. The inducement for the contract on the part of the Markle Company it assumes was to secure a well-organized reliable selling agency to sell its coal, which selling agency was obliged under the terms of the contract to guarantee all sales, and since it has been carrying out the contract, this company has asked and demanded, and properly so, the full benefit of its efforts in view of its necessary guaranties of credit, and in order to enjoy the good will of the business it took over, and has developed as to this particular quality of coal, and that it should have the exclusive selling agency therefor. This it asserts is in accordance with the
192 customary and best business methods as to such matters in all lines of trade. The object of this company in connection with the Markle selling agency is to increase the markets for this coal, availing itself of the established trade therein and its organization, making every effort to develop and increase the same, and it has had no other or different object at any time. The transportation of the product of the Markle Company over the lines of Lehigh Railroad, so far as their lines are utilized, is simply and solely because of the accessibility to the Markle collieries of the railroad and spur lines of Lehigh Railroad and the availability of that railroad as a carrier to transport this coal in compliance with the orders for the sale thereof in the several markets; there is nothing in the contract controlling or attempting to control routes or destinations of any of this coal.

The storage plant at South Plainfield, N. J., this defendant occupies under a sublease from the Lehigh Coal Company at an annual rental, as stated in this paragraph, of $10,247, plus, however, the payment of taxes and the maintenance of the plant in good order and repair. Taxes paid for the year 1913 amounted to $2,694. The moneys expended in repairs and maintenance in that year amounted to $6,224. The annual rental, therefore, aggregated over $19,000. The coal trestle at Pioneer St., Newark, referred to, this defendant has a sublease of from Lehigh Coal Company, as stated in the petition, at an annual rental of $9,955 and taxes, which amounted in the year 1913 to $2,923. This sublease also requires repairs and maintenance. This amounted in the year 1913 to $781.

193 The coal trestle at Mt. Hope Ave., Rochester, this defendant occupies as sublessee of Lehigh Valley Coal Company since March 1, 1912, at an annual rental, as stated in the petition, of

$3,604 and taxes, which for the year 1913 amounted to $1,252, and the repairs and maintenance expenses which it was obliged to make amounted in that year to $664. The coal trestle at Grand St., Jersey City, is also held by this company as a sublessee of Lehigh Coal Company at the annual rental of $2,873 and taxes, which for the year 1913 amounted to $895, and the repairs and maintenance which it is subject to amounting in the same year to $135.

The statements as to capacity and values of the above-mentioned storage plant and the above-mentioned coal trestles are practically as appear in the petition. Prior to the fixing of the rentals of this storage plant and these coal trestles and the incorporation of them in the lease of March 1, 1912, by Lehigh Coal Company to this defendant, printed in Government's petition as Exhibit No. 4, pages 102 et seq., a careful appraisal was made by independent and qualified experts as to the values of such facilities and as to the fair rental value, and these figures were utilized and adopted in determining the rentals to be paid therefor.

This defendant, assuming it is referred to in the statement as to Lehigh Railroad and its affiliated coal producing and trading companies as the trading company, specifically denies that any of the matters referred to in this paragraph as to advances and accommodations constitute either advances or accommodations, or unlawful discriminations as therein charged, or preferences in any way against other purchasers and shippers, and specifically denies that it
194 has acquired in this or any other way any power or advantage over its competitors in any markets anywhere as a trading company engaged in purchasing or in selling and handling anthracite coal on commission. As a matter of fact, there are many other purchasers and shippers of anthracite coal competing with this defendant at line points on Lehigh Valley Railroad and at most of the places designated in this paragraph of the petition.

This company has other storage plants aside from the one at South Plainfield, the necessity for which is due to the varying demand for prepared sizes at certain seasons of the year and the necessity for stocking and storing certain portions of these prepared sizes, namely, at Hudsondale, Pa., at Ransom, Pa., and at Wende, N. Y., near Buffalo. These plants are of decided advantage to the public and the customers generally, who can thus be served promptly at times of coal famine, snow blockades, and other contingencies. They involve large outlays of capital, added to this defendant's cost of doing its business, and constitute a considerable added cost on the coal. They are not essential to the smaller operating and trading companies. For these storage plants other than the one at South Plainfield, namely, at Hudsondale, this company pays $10,349 rent a year, plus taxes, which for the year 1913 amounted to $2,598. At Ransom, $18,952 a year and taxes, which for the year 1913 amounted to $243. At Wende, $12,758 a year and taxes, which for the year 1913 amounted to $1,055. Total rental as to all four plants is $52,306, exclusive of taxes and insurance and repairs and maintenance. The cost to this

defendant of dumping and reloading coal, including rentals,
195 averaged during the past year at South Plainfield 19.76 cents per ton; Hudsondale, Pa., 18.95 cents per ton; Ransom, Pa., 29.87 cents per ton; Wende, N. Y., 25.23 cents per ton. This defendant has no relations with the Yates-Lehigh Coal Company premises at Louisiana St., Buffalo, and no lease therefor.

As to the list of lessees and premises appearing on pages 52, 53, 54, and 55 of petition, this defendant says, as to some it has no business dealings and sells no coal whatever to them; as to others it sells only a fractional part of their supply; some are out of business; and to some it believes it sells all the coal they handle. As to these dealers and shippers, as well as all others, this defendant has never been favored by discrimination in rates or in facilities or quality of service.

This defendant says that it leases the properties listed (petition, page 55), namely:

Yates-Lehigh Coal Co., Walden Avenue yard, Buffalo, N. Y.
Lill-Robinson Coal Co., Fifty-ninth Street yard, Chicago, Ill.
Frank Dwyer, Geneva Trestle, Geneva, N. Y.
Carnegie Fuel Co., Western Avenue yard, Minneapolis, Minn.
Flour City Fuel & Feed Co., Harrison Street yard, Minneapolis, Minn.
A. H. Mowry, Oswego yard, Oswego, N. Y.
Carnegie Fuel Co., Como Avenue yard, St. Paul, Minn.
Dalton Coal Co., State Street yard, Syracuse, N. Y.
Dawson Coal Co., Magnolia Street yard, Syracuse, N. Y.

Except as follows:

196 Fifty-ninth Street yard, Chicago, now leased to the Bickett Coal & Coke Co.

State Street yard, Syracuse, lease expired; not renewed; yard vacated.

Oswego yard, now leased to W. A. Dougherty.

All of these leases were assigned to this defendant by the lease of March 1st, 1912 (Exhibit 4, Government's petition), and it admits that said leases contain clauses obligating the lessees to purchase coal exclusively or in specified quantities from Lehigh Coal Company, but denies that said leases and said clause therein were for the purpose of monopolizing or attempting to monopolize the sale of coal, and as far as this defendant is concerned, since taking over these leases, it has continued to sell coal to the parties named to the extent they desired to purchase coal, without any restriction as to shipments or restraints of any kind, and has never attempted in any way to control these lessees as to purchases or sales.

Sixth. This defendant specifically denies that it has any monopoly in the sale in interstate and foreign commerce of anthracite coal mined from lands located along the lines of the Lehigh Railroad or near enough thereto to be served in the normal course of business or wherever this coal is mined.

It has set out the quantities of anthracite it purchased for the year 1913 from producers in the various regions, whether on the line of the Lehigh Valley or otherwise. It never purchased any anthracite coal from the Temple Iron Company or had any business dealings with it in any way. This defendant specifically denies that it has any monopoly in the sale of coal produced along the line of
197 Lehigh Railroad or that it is a subsidiary corporation in any sense to Lehigh Railroad, or that it is in any way dominated or controlled by Lehigh Railroad, or that it has ever been since its organization. There are a few small settlements and villages, at which it sells a very small quantity of coal, not reached by any other railroad aside from Lehigh Railroad, but they are so small and inconsequential as to not make them worth mentioning. At these places this defendant has no domination or control of the market any more than at other points reached by Lehigh Railroad or other railroads.

Seventh. This defendant admits its incorporation under the laws of the State of New Jersey on the twenty-second day of January, 1912, with the authorized capital as stated in the petition, of which $6,060,800 was shortly after subscribed for and taken up. Not a single share was subscribed for at that time or at any subsequent time by either Lehigh Railroad or Lehigh Valley Coal Company. It has no knowledge of the averments as to other matters preliminary to its organization, except that it is able to specifically deny that its stockholders were intended to be identical with those of Lehigh Railroad or that there was any assurance that they would be as the result of the circular issued by Lehigh Valley Railroad Company as to the opportunity afforded its stockholders. It is true the large majority of Lehigh Railroad stockholders as of February, 1912, availed themselves of the privilege offered them to subscribe to its stock at its organization. It admits that its first officers were chosen largely from the officers of the Lehigh Coal Company's Sales Agency force, but denies that its directors were chosen from the officers and
198 directors of either Lehigh Railroad or Lehigh Coal Company. It has no knowledge as who the stockholders of Lehigh Railroad are, or as to the group of persons who are alleged to be substantially in control of the Lehigh Railroad, or whether there is any such group of persons. From its beginning this defendant has been controlled by a majority in interest of its stockholders, acting through a board of directors, duly elected and constituted by a majority of the votes of its stockholders, all in accordance with the provisions of the law and of its by-laws regulating such matters. It denies that any of its incorporators or any of the board of directors were the nominees, representatives, or instruments or under the control of the defendant, Lehigh Railroad. It denies that its shares were intended for distribution among stockholders of railroad company pro rata or otherwise. Upon information and belief it states that a syndicate was formed primarily for the purpose of underwriting and taking up the stock of this defendant at its organization, and the privilege accorded to railroad company's stockholders was entirely an optional one.

Whether it would be exercised or not the organizers of this defendant had no knowledge or information. It has no knowledge as to who of its stockholders are or are not the stockholders of the Lehigh Railroad. The fact that in the circular of the Lehigh Railroad, as to the exercise of the option on the part of its stockholders to take stock in this defendant, it was provided that no subscriber of the railroad could subscribe at all unless he subscribed for the whole of his allotment, this defendant is advised, and stated on information and belief, that so far from this being inserted in the said circular to fur-
199 ther secure "practical identity" between the stockholders of Lehigh Railroad and this defendant, it was in accordance with the usual and prevalent custom in vogue by companies generally and was to avoid the necessary complications and difficulties of accounting and distribution and allotments otherwise likely to ensue. The first officers of this defendant are as stated in this paragraph of the petition. They were selected at a meeting of the stockholders of this defendant by a majority of such stockholders, and in the belief that they were able to manage this defendant's affairs to the best interests of its stockholders and to the carrying out of the purposes of its organization, as stated in its charter, and for no other purpose or reason or intention. Mr. G. N. Wilson was never a director of Lehigh Railroad, as asserted in the petition. He had been associated at one time with the accounts of the selling agencies of Lehigh Coal Company and was asked to associate himself with this defendant at the time of its organization. The officers of this defendant were taken from the sales agency organization of Lehigh Coal Company because they were recognized as men of experience in handling and selling anthracite coal and bituminous coal as well, and therefore prepared to further and develop the markets for such coals in the development of this company's business. A short time after the organization of this company certain of the offices of Lehigh Company were in the same building as this company's offices, but at no time were such offices associated together after this company started in business.

The sole purpose and object of the organization of this de-
200 fendant was to absolutely separate and dissociate Lehigh Coal Company from any interest or participation in the anthracite coal business other than the mining and production of anthracite coal and the sale thereof at the mines in the State of Pennsylvania.

The contract entered into between this defendant and Lehigh Coal Company of date March 1, 1912, is correctly printed as Exhibit No. 3, Government's petition, pages 89 et seq. It is not true that the prices paid Lehigh Coal Company by this defendant for the coal stored at various places, which it agreed to take over under the terms of this contract, were unreasonably low. On the contrary, the book value of this stocked coal was ascertained as of February 29, 1912, less actual shortages written off as and when ascertained, and an allowance of 2% only made upon this valuation, alike fair and equitable to vendor and vendee, as experience shows there is always a shortage found in tonnage of stocked coal in reloading, due to

waste and breakage in handling, and this allowance after due consideration was made as representing only such anticipated loss in future handling by this defendant. Lehigh Coal Company would necessarily have suffered this loss if it had marketed this coal. It actually worked out somewhat larger in per cent in the rehandling of this coal by this defendant. The coal so stored was purchased in bulk, and the loss, if any, Lehigh Coal Company suffered, as to any of the steam sizes at certain stocking points, it was assumed in the bargaining between the two companies, was compensated for in the price paid for the tonnage in bulk.

Coal in transit, and this had to be provided for as well, was
201 purchased at February contract prices, viz, the same prices which Lehigh Coal Company would have obtained had it continued its sales agencies. This defendant entered into this contract for the purpose, as appears on its face, of buying in good faith, obtaining absolute title to and taking deliveries of the coal covered by the contract at Lehigh Coal Company's mines in Pennsylvania as to its coal, and as to its then existing purchase contracts from other producers at their collieries, all in Pennsylvania, of the coal covered by all such contracts. This it has done ever since.

As to the coal it purchased from Lehigh Coal Company, the fixing of the price was a matter of bargaining, involving several legitimate business considerations. The purpose and intent was to ascertain and fix the market price of the coal at the mines as nearly as may be as of the several and respective days of delivery of the coal at the mines. It is true the price with deductions was fixed at somewhat lower figures than obtained for the coal purchased from other producers, viz, Coxe Brothers & Company, Inc., Pardee & Company, Forty Fort Coal Company, etc. The deductions were temporary and intended to be confined to the time thought reasonable and fair by the contracting parties to enable this defendant, as the bulk of its business was to be confined to marketing Lehigh Coal Company's product, to enter into new markets and secure customers therein and expand the trade as much as possible in competition with other sellers of this commodity. To do this it was reasonably expected at certain points this defendant would sell at little, perhaps no profit, possibly at a loss, and to encourage its establishment on a sound financial
202 basis, and its growth and development as expected and contracted for as largely as possible, and at the same time not at such disadvantage as to cause its possible failure, these temporary deductions were finally agreed upon. The transaction in every sense, purpose, and intent was a legitimate and bona fide one.

It is true the profits of this defendant have been large in the two years of its existence. These, however, could not have been anticipated, and were due to causes abnormal and exceptional. The general suspension in the anthracite region in April and May, 1912, caused a great shortage in the supply of coal; the fear as to possible shortages in the winter of 1912–13, as well as its favorable markets for deliveries, with its commissions on coal sold for Markle & Com-

pany and others, among other reasons, has combined in the period to enable it to make the distribution to stockholders as stated in this paragraph of the petition and to accumulate the stated surplus. The gross business of this defendant for 1912 amounted to $33,202,-159, and for 1913 amounted to $40,018,724.00. The conditions, however, in the opening months of 1914 warrant no expectation of abnormal profits for the current year. Whatever its profits have been or are, they in no way justify the inferences sought to be drawn in the petition. The business of this defendant has at all times been conducted solely for the benefit of its stockholders and within legitimate and lawful lines, and confined strictly to its own affairs.

Lehigh Railroad Company has never used or attempted to use and never has had and does not now have the power to use this
203 defendant as an instrumentality for any purpose. This defendant fixes prices, routes, and destinations; it has made contracts with customers for a definite term of years; it decides how much coal is to come to New York Harbor and everywhere else; it pays the published tariff rates of freight and demurrage as other shippers over Lehigh Railroad; and it has received no discriminatory favors from the railroad of any kind whatsoever. From its beginnings this defendant has been controlled by a majority in interest of its stockholders acting through a board of directors duly elected and constituted by a majority of the votes of its stockholders, all in accordance with the provisions of the law and of its by-laws. The provisions of its contract with Lehigh Coal Company, as to confining its anthracite business to the product of that company's mines and the other producers then in contractual relations with it, were included therein and agreed to because the great volume of tonnage produced by Lehigh Coal Company yearly made it clear it would require the entire time and practically exclusive efforts of its officers and agency force to properly handle and dispose of this yearly quantity, in addition to the other coals the contracts covered. Especially was this fair and equitable in view of the express covenant that this defendant was to use its best efforts to further enlarge its trade and sales of coal in territories in which it acquired the business of Lehigh Coal Company prior to March 1, 1912, and in new markets wherever it was reasonable to anticipate profitable agencies might be established. It was because it was to be anticipated that it would taxe the strength and ability of this defendant to hold present trade and expand and extend trade in this coal that it was asked to
204 and did agree to exclusively handle Lehigh Coal Company's coal together with that the coal company was then handling or purchasing from other producers, viz. Markle Company, Pardee & Company, Coxe Brothers & Company, Inc., etc.

The contract of March 1, 1912, was not only entered into in good faith and for legitimate business reasons but, as appears on its face, was intended to be a permanent arrangement with only such precautions taken as to termination as were fair to both contracting parties

in view of future possibilities as to incapacity or inefficiency in handling product on the one hand or in furnishing properly prepared coal and in the quantities provided for on the other. It is not true this defendant would lose its "sole business" by the cancellation of this contract and the leases, if such a thing were to happen, nor does this contract in any way hinder and prevent Lehigh Railroad from freely fixing its tariffs for transportation of coal "according to recognized and legitimate standards," nor does it furnish any other hindrance or interference with the railroad's transportation rates, nor does it introduce any "factor which may not be considered consistently with the rights of the public" or which "necessarily tends to keep such rates unduly high," nor is the price it pays for its coal at the mines "largely determined by the freight rate." This defendant fixes its own selling prices everywhere on all coal it purchases. The railroad company has nothing to do with it and can have nothing to do with this nor any other matter of this defendant's business. Lehigh Railroad has absolutely nothing to do in determining the quantity of purchase coal this defendant ships to tidewater points or anywhere else; it has absolutely nothing to do with
205 determining the sum for which this defendant's coal is sold at tidewater points or anywhere else. This defendant denies that the contract it made with Lehigh Coal Company March 1, 1912, is in any sense a restraint "undue, unreasonable, and unlawful" of interstate trade and commerce. It has nothing to do with interstate trade. The title to this coal it purchases passes absolutely with deliveries at the mines in the State of Pennsylvania. Then and there this defendant acquires full and exclusive title, possession, control, and dominion over all such coal, and it alone has any interest therein. So far from this contract being in restraint of trade, it sole purpose was to secure to this defendant trade theretofore enjoyed by Lehigh Coal Company and to increase and expand such trade along every legitimate line in competition, as it must necessarily always be, with other producers and sellers of coals; and the expectation was that this defendant would devote its energies to such growth and development. This it has done and proposes to do in the future. It specifically denies that the transportation of the coal produced at the mines violates the commodities clause of the act to regulate commerce as amended June 29, 1906. As to all matters and things not specifically denied as charged it asks full proof thereof if deemed material.

Eighth. For a further and separate answer it alleges:

1. That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes, in some of which this defendant is not interested or concerned, and that the petition therefore is multifarious.

206 2. That it appears by the petition that this suit is brought against it and the other corporations and persons named as

defendants therein for distinct matters and causes, in some of which other defendants are not in any manner interested or concerned, and that in respect thereof this suit can proceed against it to hearing and decree without the presence of said defendants; wherefore the petition is multifarious.

3. This defendant prays that it may, under the rules of court in such cases made and provided, be permitted to avail itself of all matters of defense in law to the merits of the bill in its above answer set forth of which it might have availed itself by demurrer or plea in bar with the same force and effect as though it had filed a separate demurrer or demurrers, plea or pleas in bar.

Wherefore this defendant prays that the petition be dismissed as against it, with costs.

LEHIGH VALLEY COAL SALES COMPANY,
By G. N. WILSON, *President.*
EVERETT WARREN,
NICHOLAS W. HACKER,
*Solicitors for Defendant.*

(Indorsed:) U. S. District Court, S. D. of N. Y. Filed Apr. 30, 1914.

207 In the District Court of the United States, Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*vs.*
THE LEHIGH VALLEY RAILROAD COMPANY, The New York and Middle Coal Field Railroad and Coal Company, et al., defendants. | In Equity, No. 11–129.

The separate answer of Coxe Brothers and Company, Inc.
Allan McCulloh, F. W. Wheaton, solicitors for defendants.

208 In the District Court of the United States, Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*vs.*
LEHIGH VALLEY COAL COMPANY, COXE Brothers and Company, Inc., et al., defendants. | In Equity, No. 11–129.

*The separate answer of Coxe Brothers and Company, Inc.*

This defendant, now and at all times hereafter reserving unto itself all and all manner of benefit of exception and otherwise which can or may be had or taken to the manifold errors, uncertainties and

imperfections in the said petition contained, for answer
209 thereto, or to so much thereof as this defendant is advised it is material or necessary for it to make answer unto, answering says:

This defendant admits that it is a corporation of Pennsylvania and is engaged in mining and selling anthracite coal; that its principal office is at 228 South Third Street, Philadelphia, Pennsylvania; that its outstanding capital stock is $2,910,150—58,203 shares of $50 each par value—all of which is owned by Lehigh Railroad; that it holds in fee or under long term leases about 36,490 acres of land in the anthracite producing regions of Pennsylvania along the lines of Lehigh Railroad, of which land it is estimated about 7,169 acres contain varying quantities of anthracite coal. Prior to May 26, 1913, for a number of years practically its entire output of coal, except such as was sold locally at retail, etc., was taken over by the Lehigh Coal Company upon a contract between said coal company and this defendant. On the 26th of May, 1913, said sales contract was annulled and abrogated, and since that time this defendant has not sold or transferred or in any way turned over any of its output to the said Lehigh Coal Company, but sells its entire output, except such as is locally retailed, etc., to the Lehigh Coal Sales Company directly at its mines, and said sales company, in turn, sells it to the public, but whether such sales are principally in interstate commerce or not this defendant does not know and therefore does not admit, but prays that if the same be material it shall be strictly proved.

210 This defendant admits that in 1905 it was one of the largest producers of anthracite coal, and that it owned and operated collieries at Drifton, Eckley, Stockton, Beaver Meadow, Derringer, Oneida, and Tomhicken. Some years ago Eckley colliery was abandoned and turned into a washery, which is called Eckley washery.

This defendant admits that at times its annual production of anthracite coal is about a million tons gross. It admits that its collieries are located along The Delaware, Susquehanna and Schuylkill Railroad, and that through connections of said railroad it was able to send its output to market over not only the Lehigh Valley Railroad but the Pennsylvania Railroad and the Philadelphia and Reading Railway, and avers that said Delaware, Susquehanna and Schuylkill Railroad has no connection with the Central Railroad of New Jersey.

This defendant admits that on November 1st, 1905, the Lehigh Railroad purchased from the Coxe estate, who were the owners thereof, for $17,440,000, the entire capital stock of Coxe Brothers and Company, Inc. This defendant avers that said purchase of said stock was made in the course of normal business development on the part of the said Lehigh Railroad, and was a bona fide, lawful, and proper transaction, and it denies that the purchase and sales of said stock were in any way in furtherance of any purpose on the

part of said Lehigh Railroad or of this defendant to monopo-
211 lize the production, transportation, and sale of anthracite coal from mines along the lines of said railroad.

This defendant admits that since 1905 the business of Coxe Brothers and Company, Inc., has been carried on by officers and directors who also have been in part officers and directors of Lehigh Coal Company. It denies that the price of $17,440,000 paid for the stock of Coxe Brothers and Company, Inc., was in excess of its true value.

This defendant is a miner of anthracite coal, and all of the coal which it sells as aforesaid is produced and sold by it at its mines entirely within the Commonwealth of Pennsylvania.

The only coal which it owns or controls is coal mined by it, and it is in no wise howsoever engaged in interstate trade or business, but mines its coal, prepares the same for market, and sells all of the same at its mines entirely within the Commonwealth of Pennsylvania, buying no coal for resale whatsoever, and shipping no coal in any manner whatsoever.

It denies that it is or ever has been a party to a combination and conspiracy to restrain and monopolize interstate and foreign trade and commerce in anthracite coal, and denies that it is attempting or ever has attempted to monopolize, or that it is monopolizing a part of such trade and commerce in violation of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce
212 against unlawful restraints and monopolies" (26 Stat., 209).

As to each and every of the other allegations in the said petition contained, of conduct, intent, or attempt on the part of this defendant to do or perform, or to assist in doing or performing any unlawful act whatsoever, or any lawful act whatsoever for an unlawful purpose, this defendant hereby makes denial of such allegations.

As to the other allegations of the said petition as to other people and other things which do not involve in any way the conduct of this defendant, it alleges that it is without knowledge sufficient to enable it to make answer thereto, and does not admit the truth of any of said allegations, but prays that if the same be deemed material they shall be strictly proved.

Wherefore this defendant prays that the petition be dismissed as against it, with costs.

COXE BROTHERS AND COMPANY, INC.

[SEAL.] By S. J. McQUAID, *Secretary.*

213 For a further and separate answer this defendant alleges:

1. That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes, in some of which this defendant is not interested or concerned, and that the petition, therefore, is multifarious.

2. That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants

therein for distinct matters and causes, in some of which other defendants are not in any manner interested or concerned, and in respect thereof this suit can proceed against it to hearing and decree without the presence of said defendant.

Wherefore the petition is multifarious.

Wherefore this defendant prays that the petition be dismissed as against it, with costs.

COKE BROTHERS AND COMPANY, INC.
[SEAL.] By S. J. McQUAID, *Secretary.*
ALLAN McCULLOH,
F. W. WHEATON,
*Solicitors for Defendant.*

(Indorsed:) U. S. District Court, S. D. of N. Y. Filed May 1, 1914.

214 In the District Court of the United States for the Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*v.*
LEHIGH VALLEY RAILROAD COMPANY, ET AL., defendants. } In Equity, No. 11-129.

Separate answer of The Delaware, Susquehanna & Schuylkill Rail Road Company.

Edgar H. Boles, *John G. Johnson,* solicitors for defendant.

215 In the District Court of the United States, Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*v.*
LEHIGH VALLEY RAILROAD COMPANY ET AL., defendants. } In Equity, No. 11-129.

*Separate answer of The Delaware, Susquehanna & Schuylkill Rail Road Company.*

The Delaware, Susquehanna & Schuylkill Rail Road Company makes answer to the original petition in this cause, saving and reserving to itself all benefit and advantage of exceptions to the manifold errors, uncertainties, and insufficiencies in said original petition contained:

I.

This defendant denies that it is a party to a combination and conspiracy to restrain and monopolize interstate and foreign trade and

commerce in anthracite and is attempting to monopolize and is monopolizing a part of such trade and commerce in violation of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies."

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II.

This defendant admits that it is a corporation of the Commonwealth of Pennsylvania, having its principal office at No. 228 South Third Street, Philadelphia, Pa. It admits that its authorized and issued capital stock consists of 30,000 shares of the par value of $50.00 each, or a total value of $1,500,000, and that all of said shares are owned by the Lehigh Valley Railroad Company.

This defendant was organized April 14, 1890, pursuant to the provisions of a statute of the Commonwealth of Pennsylvania enacted April 4, 1868 (P. L., 62). It admits that it is a gathering line about fifty miles long connecting with the Lehigh Valley Railroad at several different points and having branches to many anthracite collieries, including those of Coxe Brothers & Company, Inc.

III.

It admits that it has connection with the Pennsylvania Railroad Company, the Central Railroad Company of New Jersey, and the Philadelphia & Reading Railway Company. It admits that in 1905 it served and still serves the collieries of Coxe Brothers & Company, Inc., and also served and still serves various other anthracite collieries, as specified in the petition. It is admitted that by installing short track connections this defendant might have reached the Highland collieries and the Jeddo colliery of The G. B. Markle Company and the Hazle Brook colliery of J. S. Wentz & Company, but this defendant has no accurate knowledge as to the output of any of the collieries mentioned in the petition.

This defendant denies that it could have given any other service than was already afforded to said collieries or that there was any normal economic or commercial reason why it should have made track connections as suggested in the petition. This defendant de-

217 nies that it was an important factor in maintaining competition between the Lehigh Valley Railroad Company and any of the railroad companies mentioned in the petition, or any other railroad company, in the transportation of anthracite or other goods.

It is admitted that in 1905 the Lehigh Valley Railroad Company purchased the entire capital stock of this defendant, and that the lines of this defendant have since been operated as part of the system of said company. It is denied that this acquisition was not a step in the course of normal business development but in pursuance of

the purpose of the Lehigh Valley Railroad Company to monopolize the production, transportation, and sale of anthracite on its lines.

The construction of the railroad of this defendant was begun in 1890 and completed in 1892, entirely within the State of Pennsylvania. It began at a point at or near the village of Drifton, in the county of Luzerne, and extended via the village of Eckley to a point near the village of Gowen, situated at the junction of Luzerne, Schuylkill, and Columbia Counties, all in the State of Pennsylvania. It was financed and constructed solely by the owners of Coxe Brothers & Company, Inc. It connected with the Lehigh Valley Railroad at several points, to wit, at Mount Pleasant, Long Run Junction, Cranberry Junction, Lumber Yard, Eckley Junction, and Drifton.

IV.

As to each and every allegation of the petition not herein admitted or denied, it alleges that it has not sufficient knowledge to enable it to admit or deny the same, and, if any of said allegations may be deemed material, asks that proper proof shall be made thereof.

V.

For a further and separate answer it alleges:

218 (a) That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes in some of which this defendant is not interested or concerned and that the petition, therefore, is multifarious.

(b) That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes in some of which other defendants are not in any manner interested or concerned, and that in respect thereof this suit can proceed against it to hearing and decree without the presence of said defendants; wherefore the petition is multifarious.

Wherefore this defendant prays that this petition may be dismissed as to it with its reasonable costs in this behalf most wrongfully sustained.

THE DELAWARE, SUSQUEHANNA & SCHUYLKILL RAIL ROAD COMPANY,
By *J. A. MIDDLETON*, *Vice President*.

EDGAR H. BOLES,
JOHN G. JOHNSON,
*Solicitors for Defendant*.

(Indorsed:) U. S. District Court. S. D. of N. Y. Filed May 14, 1914.

219 In the District Court of the United States, Southern District of New York. October term, 1913.

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| THE UNITED STATES OF AMERICA, PETITIONER, vs. THE LEHIGH VALLEY RAILROAD COMPANY, the New York and Middle Coal Field Railroad and Coal Company, et al., defendants. | In Equity, No. 11–129. |

The separate answer of the New York and Middle Coal Field Railroad and Coal Company.

Allan McCulloh, *F. W. Wheaton*, solicitors for defendants.

220 In the District Court of the United States, Southern District of New York. October term, 1913.

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| THE UNITED STATES OF AMERICA, PETITIONER, vs. LEHIGH VALLEY RAILROAD COMPANY, New York and Middle Coal Field Railroad and Coal Company, et al., defendants. | In Equity, No. 11–129. |

*The separate answer of the New York and Middle Coal Field Railroad and Coal Company.*

This defendant now and at all times hereafter, saving and reserving unto itself all benefit and advantage of exception which can or may be had or taken to the many errors, uncertainties, and
221 imperfections in the said petition contained, for answer thereto or to so much thereof as this defendant is advised it is material or necessary for it to answer, saith:

I.

This defendant admits that it is a corporation organized under the laws of the Commonwealth of Pennsylvania on the 11th day of March, 1851. Its outstanding capital stock is $1,500,000, 60,000 shares of $25.00 each par value, of which the Lehigh Valley Railroad owns a majority of shares, the bulk of which was acquired in 1872, and all of which this defendant alleges was lawfully sold by it and purchased by said railroad company. It originally owned in fee about 1,293 acres of land, under portions of which there was anthracite coal. In 1889 it leased to the Midvalley Coal Company, until the exhaustion thereof, all the coal in, under, and upon nine hundred and eighty-two (982) acres. In 1907 it leased to the Lehigh Valley Coal Company all the coal in, under, and upon about three hundred and eleven (311) acres.

This defendant denies that the acquisition of its stock as aforesaid by the Lehigh Valley Railroad Company was an act in furtherance of a conspiracy, or was an unlawful act in any way, and denies that it was a restraint and monopoly, or attempt to restrain and monopo-

lize the production, transportation, and sale in interstate commerce of anthracite coal from mines and lands located along the lines of the Lehigh Valley Railroad, or in any other manner whatsoever.

222 It avers that its lease to the Lehigh Valley Coal Company, as aforesaid, of a portion of its lands, was a bona fide lawful transaction, in the course of its ordinary business, and denies that said lease was for the purpose of any conspiracy, or combination, or monopoly, or in furtherance thereof, and denies that said lease was made with any unlawful intent, and denies that it was in any way a restraint or monopoly or an attempt to restrain and monopolize the production, transportation, and sale in interstate commerce of anthracite coal either along the lines of the Lehigh Valley Railroad or elsewhere.

This defendant denies that it is a party to a combination and conspiracy to restrain and monopolize interstate and foreign trade and commerce in anthracite coal, and denies that it is in any way, either by itself or with others, attempting to monopolize or is monopolizing a part of such trade and commerce in violation of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies" (26 Stat., 209), as alleged in the first paragraph of the petition. If the other matters set out in said first paragraph of the petition are material, it prays that the same may be duly proved.

This defendant admits that it is a lessor only.

It mines no anthracite coal, sells no anthracite coal, and ships no anthracite coal.

In respect of the allegations of the petition relating to the other defendants, and others and other things, except as herein or

223 hereby admitted or denied, it has not sufficient knowledge or information to form a belief or to make answer, and, therefore, admits none of said allegations, except that the Lehigh Valley Railroad Company is a Pennsylvania corporation, and is a common carrier, carrying passengers and miscellaneous freight, including anthracite coal, in interstate commerce, with general offices at 228 South Third Street, Philadelphia, Pa., and the Lehigh Valley Coal Company is also a Pennsylvania corporation engaged in mining and selling coal in the State of Pennsylvania, with general offices at 228 South Third Street, Philadelphia, Pa., and asks that if said allegations of the petition not herein or hereby admitted be deemed pertinent or material they shall be strictly proved.

This defendant prays to be thus dismissed with its reasonable costs in this behalf most wrongfully sustained.

III.

For a further and separate answer, this defendant alleges:

1. That it appears by this petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes, in some of which this defendant is not interested or concerned, and about which it has no knowledge, and that the petition is therefore multifarious.

2. That it appears by the petition that this suit is brought
224 against it and the other corporations and persons named as defendants therein, for distinct matters and causes, in some of which other defendants are not in any manner interested or concerned, and in respect thereof this suit can proceed against it to hearing and decree without the presence of said defendant, wherefore the petition is multifarious.

Wherefore this defendant prays that the petition be dismissed as against it with costs.

THE NEW YORK AND MIDDLE COAL FIELD RAILROAD AND COAL COMPANY,

[SEAL.] By E. A. ALBRIGHT, *Assistant Secretary.*

ALLAN MCCULLOH,
F. W. WHEATON,
*Solicitors for Defendant.*

(Indorsed:) U. S. District Court, S. D. of N. Y. Filed May 1, 1914.

225 In the District Court of the United States, Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,

*vs.*

LEHIGH VALLEY RAILROAD COMPANY, LEHIGH Valley Coal Company, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Railroad Company, New York and Middle Coal Field Railroad and Coal Company, G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants. | In Equity, No. —.

Separate answer to G. B. Markle Company.
E. V. B. Getty, solicitor for G. B. Markle Company.

226 In the District Court of the United States, Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,

*vs.*

LEHIGH VALLEY RAILROAD COMPANY, LEHIGH VALLEY COAL COMpany, Lehigh Valley Coal Sales Company, Coxe Bros. & Company, Inc., Delaware, Susquehanna & Schuylkill Railroad Company, New York & Middle Coal Field Railroad & Coal Company, G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Ly-

man D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants.

*Separate answer of G. B. Markle Company.*

The defendant, G. B. Markle Company, now and at all times hereafter reserving unto itself all and all manner of benefit of exception and otherwise which can or may be had or taken to the manifold errors, uncertainties, and imperfections in the said petition contained, for answer thereto or to so much thereof as this defendant is advised it is material or necessary for it to make answer to, now answering, says:

227 First. This defendant denies that it is a party, directly or indirectly, to any combination and conspiracy to restrain and monopolize interstate trade and commerce in anthracite coal, or that it is attempting to monopolize and is now monopolizing any part of such trade and commerce in violation of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," and denies that it is a party, directly or indirectly, to any violation of that portion of section 1 of the act of Congress entitled "An act to regulate commerce," as amended June 29, 1906, known as the commodity clause.

Second. It admits it is a corporation of Pennsylvania, with its principal office at Jeddo, in said State. It is now engaged and has been for many years in mining anthracite coal in Luzerne County, Pennsylvania, and in preparing the same for market. It admits it is a party to an exclusive sales agency for its entire output, over a million gross tons annually, made with Lehigh Valley Coal Company, a correct copy of which contract is attached to the petition as Exhibit No. 1 (printed upon pages 81 et seq. thereof), and that this contract is now being carried out, without a formal assignment thereof, by Lehigh Valley Coal Sales Company.

Third. It denies that anthracite coal is an article of prime necessity anywhere. It admits, however, that it is largely consumed through New England and the Middle Atlantic States and to some extent in other sections of this country and in Canada. It admits the classifications contained in the petition of anthracite coal, and the statement as to prices of prepared sizes, and the uses of the steam

228 sizes so called in certain sections of the country. It has no knowledge as to the yearly production of anthracite coal or of the value thereof, or its comparative value with other minerals, and as to all these matters asks that strict proof be made thereof if they are at all material. The facts averred in the petition as to the location and extent of the deposits, transportation outlets, the geographical distribution of the output, and the anthracite tonnage from Lehigh Railroad, it asks that strict proof be made thereof if at all material or pertinent.

It alleges that it has at all times been an active competitor of other coal producing companies in the mining and selling of anthracite coal.

Fourth. It denies the averments in the fourth paragraph of the petition so far as this defendant is concerned and has no knowledge as to these charges against the other defendants.

Fifth. The avertments of this paragraph as to acquisition of coal lands, acquisition of capital stock of other corporations, defeat of projected competitive railroad, acquisition of capital stock of Coxe Bros. & Co., Inc., the acquisition of stock of Delaware, Susquehanna & Schuylkill Railroad Company, it has no knowledge of or concern with, and if these are deemed material or pertinent it asks strict proof thereof.

It has no knowledge of purchases of output of independent producers and is not concerned therewith.

It admits that it produces a superior quality of anthracite coal from its lands and collieries in the vicinity of Hazleton, Luzerne County, Pennsylvania. It further admits that its coal com-
229 mands a higher market price than other anthracite as stated in this paragraph of the petition. Its annual output does exceed a million gross tons, and it is true it is principally sold in States other than Pennsylvania. It specifically denies that the contract above referred to of Dec. 30, 1889, which its predecessor, G. B. Markle & Company, a partnership, made with Lehigh Valley Coal Company, was made for the purpose of monopolizing the transportation and sale of anthracite coal produced along the line of Lehigh Railroad, and admits that defendant Lehigh Coal Company was made the exclusive selling agency for this coal, but denies that it was made for the purpose of securing the transportation thereof almost exclusively to Lehigh Railroad, thereby preventing competition. On the contrary, it alleges that this contract was made for legitimate business reasons and for the best interests of the partnership business, as it then was trading under the firm name of G. B. Markle & Company, but subsequently incorporated under the name of G. B. Markle Company for the purpose of securing a well-established selling agency, on the understanding and agreement that such agency would use its best efforts to further and develop trade and sales in its product, there being no limitation whatever in the contract as to the transportation of this product by the Lehigh Railroad or any other railroad, the contract being plainly upon its face an agency contract for the sale of this defendant's coal on commission, the former partnership of G. B. Markle & Company and this defndant retaining as expresly provided therein complete control of the prices at which its agent should sell and dispose of its product, dictating to such agent as to all such matters and requiring its approval for the making of prices in all markets for its coal. There
230 is nothing whatever in this contract, nor was there intended to be any preference or advantage to Lehigh Railroad, nor is there anything therein to prevent competition on the part of this

defendant with either Lehigh Railroad, Lehigh Coal Company, or any other producers of coal. On the contrary, at all times the purpose and intent of this contract was to secure to the partnership of G. B. Markle & Company and to this defendant as its successor a competent and experienced selling agency on the one hand, making it exclusive so as to secure such agency and its experience and good will in handling the product of this defendant's mines, which at all times has commanded a higher price than anthracite coal generally, due to the insistence of this defendant because of its belief in the superior quality of such coal. At all times during this contract it has succeeded in getting higher prices for its coal. There was reserved to the firm of G. B. Markle & Company and this defendant, as its successor in this contract, full protection as against any possible slackening of the efforts on the part of its selling agent to dispose of its product, or to attempt to restrain trade therein, or to limit or control the production of this defendant's mine in any way. The contract as it has been carried out by Lehigh Coal Company and Lehigh Coal Sales Company has been carried out in good faith by all parties thereto, solely for the mutual advantage of the parties as producers and sellers of anthracite coal on the one hand and commission merchants on the other, desiring to secure the largest volume of business upon which it received its compensation by way of commission, being subject at all times to the directions of the original partnership and this present defendant as heretofore stated in
231 the matter of fixing prices. The contract was one of the usual bargaining between selling agents and producers, and inasmuch as the firm of G. B. Markle & Company, for itself and its successor, required Lehigh Coal Company to guarantee all sales, Lehigh Coal Company asked, and properly asked, in view of the volume of the business to be handled and the expenses incident to establishing agencies and maintaining them, that it might have the exclusive selling agency for this coal. There never was any intimation in the bargaining for the contract above referred to, much less the expression of any intention that the making and execution of this contract and the establishment of the selling agency was for any of the purposes as alleged in this petition, and as a matter of fact it was for none of the purposes therein alleged, and has not resulted in securing a single one of the purposes therein alleged at any time during the continuance of the partnership or its successor, this present defendant.

No rebates, preferences, discriminations, advances, or advantages have ever been offered to or conferred upon this defendant by any of the other defendants named in this petition at any time or in any manner, nor have any discriminations ever been made in its favor by any of the defendants named in this petition. The other averments in this paragraph this defendant has no knowledge of, and if they are deemed material it asks full proof thereof.

Sixth. This defendant asserts that none of the other defendants has any degree of control over its product and has never had or attempted to have in any way. At all times during the life of this

contract this defendant and its predecessor, the firm of G. B. Markle & Company, have maintained full and complete control of its product as to its disposition and prices to be received therefor,
232 fixing its own prices at all times absolutely and exclusively as it saw fit, and requiring its selling agents to confine themselves to such prices and such variations therein as it dictated from time to time, shipping its product from its mines in Pennsylvania to such markets as its selling agencies advised, as to each and every shipment, at all times carrying on its business for the sole purpose of furthering its own interest and developing its own trade energetically, and at the same time lawfully, in competition with other anthracite coals everywhere. None of the other defendants, and nobody else, has had any domination over this defendant or its predecessor, the firm of G. B. Markle & Company, in any way, shape, form, or manner, and does not now have and never has attempted to have. The contract establishing the selling agency above referred to (Government's Exhibit No. 1) was not made in the interest of The Lehigh Valley Coal Company or Lehigh Valley Railroad Company or any of the other defendants in this petition, or to enable Lehigh Railroad to dictate routes of shipment of coal, or to protect it from competition, or to increase its control over the production and sale of anthracite coal. As previously stated this defendant admits that Lehigh Coal Sales Company at the present time is carrying out the contract of The Lehigh Valley Coal Company above referred to, and the annual production is over a million gross tons. As to the other charges in this paragraph this defendant has no knowledge, and if they are at all material it asks full proof.

Seventh. As to the alleged violations of the commodity clause by Lehigh Railroad, a matter since March 1, 1912, organization of Lehigh Coal Sales Company, charges in connection therewith and the other matters charged in this paragraph, it has no knowledge
233 or concern, and if they are deemed material it asks that full proof may be made.

Eighth. For a further and separate answer it alleges:

1. That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes in some of which this defendant is not interested or concerned, and that the petition is therefore multifarious.

2. That it appears by the petition that this suit is brought against it and the other corporations and persons named as defendants therein for distinct matters and causes in some of which other defendants are not in any manner interested or concerned, and in respect thereof this suit can proceed against it to hearing and decree without the presence of said defendants, wherefore the petition is multifarious.

3. This defendant prays that it may, under the rules of court in such cases made and provided, be permitted to avail itself of all matters of defense in law to the merits of the petition, in its above answer set forth, of which it might have availed itself by demurrer

or plea in bar, with the same force and effect as though it had filed a separate demurrer or demurrers, plea or pleas in bar.

Wherefore this defendant prays that the petition be dismissed as against it, with costs.

G. B. MARKLE COMPANY,
By JOHN MARKLE,
*President.*
E. V. B. GETTY,
*Solicitor for Defendant.*

(Indorsed:) U. S. District Court, S. D. of N. Y. Filed Apr. 30, 1914.

234 In the District Court of the United States for the Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*v.*
LEHIGH VALLEY RAILROAD COMPANY ET AL., defendants. | In Equity, No. 11–129.

Separate answer of the Girard Trust Company, as trustees, etc.

Root, Clark, Buckner & Howland, solicitors for Girard Trust Company, 31 Nassau Street, Borough of Manhattan, New York City.

235 In the District Court of the United States, Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*v.*
LEHIGH VALLEY RAILROAD COMPANY, THE Lehigh Valley Coal Company, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Rail Road Company, New York and Middle Coal Field Railroad and Coal Company, The G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbitt, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants. | In Equity, No. 11–129.

*Separate answer of Girard Trust Company as trustee of the general consolidated mortgage of Lehigh Valley Railroad Company, dated September 30, 1903, and as trustee under the collateral trust agreement of said railroad company, dated November 1, 1905, to the petition herein of the United States of America.*

236 This defendant for answer to the petition herein of the United States of America, or to so much thereof as this de-

fendant is advised it is material or necessary for it to make answer unto, answering says:

I. It admits that it is a banking and fiduciary corporation of Pennsylvania, doing business in Philadelphia, in that State; this defendant is informed and believes and therefore admits that the defendant Lehigh Valley Railroad Company is a corporation of Pennsylvania and is a common carrier engaged in carrying passengers and miscellaneous freight in interstate commerce; that the defendant The Lehigh Valley Coal Company is a corporation of Pennsylvania, and that its outstanding capital stock is $1,965,000—39,300 shares of $50 each par value—all of which, except 110 shares to qualify directors, is owned by said Lehigh Valley Railroad Company, subject to the rights of this defendant as hereinafter set forth; that Coxe Brothers & Company, Inc., is a corporation of Pennsylvania, and that its outstanding capital stock is $2,910,150—58,203 shares of $50 each par value—all of which, except 25 shares to qualify directors, is owned by said Lehigh Valley Railroad Company, subject to the rights of this defendant as hereinafter set forth; that Delaware, Susquehanna & Schuylkill Rail Road Company is a corporation of Pennsylvania, and that its outstanding capital stock is $1,500,000—30,000 shares of $50 each par value—all of which, except 35 shares to qualify directors, is owned by said Lehigh Valley Railroad Company, subject to the rights of this defendant as hereinafter set forth; and that New York and Middle Coal Field Railroad and Coal Company is a corporation of Pennsylvania, and that its outstanding capital stock is $1,500,000—50,000 shares of $25 each par value—of which 48,628 shares are owned by said Lehigh Valley Railroad Company and 25 shares are owned by the directors of said New York and Mid-
237 dle Coal Field Railroad and Coal Company, all of said shares being subject to the rights of this defendant as hereinafter set forth. Save as aforesaid, this defendant says that it has no knowledge or information sufficient to form belief as to the allegations of the said petition and therefore leaves the petitioner to make such proof thereof as it may be advised is material or necessary.

II. Further answering the said petition this defendant says:

A. As to the general consolidated mortgage gold bonds of Lehigh Valley Railroad Company and the mortgage securing said bonds.

On or about September 30, 1903, the Lehigh Valley Railroad Company authorized an issue of its general consolidated mortgage gold bonds to an amount not exceeding in the aggregate the principal sum of $150,000,000, such bonds to be of such denominations, to bear interest at such rate per annum, not exceeding five per cent, and to be in such form (consistent with the terms of the mortgage hereinafter described) as should from time to time be prescribed by the board of directors when issues thereof should be made.

On or about September 30, 1903, said Lehigh Valley Railroad Company, in order to secure the payment of the principal and interest of said general consolidated mortgage gold bonds, duly made, executed, and delivered to this defendant, Girard Trust Company, its

mortgage dated September 30, 1903, a true copy of which is annexed to this answer as a part hereof and marked "Exhibit A," and which this defendant prays may be taken in all respects as if it were fully and specifically set forth in the body of this answer, and thereby the said Lehigh Valley Railroad Company granted, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, trans-
238 ferred, and set over unto this defendant, Girard Trust Company, and its successors and assigns forever, upon the trust hereinafter referred to, all and singular the property described in the granting clauses of said mortgage, including property of which the following is a brief description:

(a) The main line of railroad of said Lehigh Valley Railroad Company, with the branches, turnouts, sidings, and appurtenances thereof, and with certain leases and other property, rights, and franchises appertaining to such line or lines of railroad, all as described in the subdivision numbered first of the granting clauses of said mortgage.

(b) Certain estates, lands, wharves, and properties mentioned and described in the subdivision numbered second of the granting clauses of said mortgage.

(c) Certain shares of capital stock in certain companies mentioned and described in the subdivision numbered third of the granting clauses of said mortgage, as well as all right, title, and interest that might thereafter be acquired by said railroad company in or to any and all other shares of stock in any of the said companies mentioned in said subdivision third.

(d) Also certain other property as described in the subdivisions numbered fifth, sixth, and seventh of the granting clauses of said mortgage.

To have and to hold all the property so conveyed or pledged by said railroad company unto this defendant, Girard Trust Company, as trustee, its successor or successors and assigns, forever, but in trust nevertheless for the equal and proportionate benefit and security of all and every of the holders of the said general consolidated
239 mortgage gold bonds, and upon the conditions, uses, and trusts in said mortgage expressed and contained.

This defendant, Girard Trust Company, duly accepted the trust created in and by said mortgage and continuously since the execution and delivery of said mortgage has acted, and is now acting, as trustee thereunder.

Of the bonds issuable under said mortgage as aforementioned, bonds to the aggregate principal amount of $49,639,000 have heretofore been executed by said railroad company and have been duly certified by the endorsement thereon of the certificate of Girard Trust Company, as trustee, as provided in and by said bonds and said mortgage, and have been duly delivered to said railroad company in the manner provided in and by said mortgage; and this defendant, Girard Trust Company, is informed and believes, and on

such information and belief this defendant alleges, that of the said bonds so certified and delivered to said railroad company $36,639,000 principal amount have been negotiated and sold by said railroad company to divers persons, many of whom are unknown to this defendant, and that all of said bonds thus negotiated and sold, amounting as aforesaid to $36,639,000 principal amount, are now outstanding and are entitled to the lien and security of said general consolidated mortgage; that the balance of said bonds, amounting to $13,000,000 principal amount, so certified and delivered to said railroad company, are held in the treasury of said railroad company as treasury assets and are subject to negotiation and sale, and if negotiated or sold the same will thereupon become entitled to the lien and security of said general consolidated mortgage.

Among the shares of stock conveyed or pledged to and received and now held by this defendant, Girard Trust Company, as trustee under said general consolidated mortgage, are shares of stock in two of the companies named as defendants in this suit, namely:

240 (a) Thirty-nine thousand three hundred shares of stock, of the par value of $50 per share, in The Lehigh Valley Coal Company, being all the stock in said company issued and outstanding, of which 39,190 shares have been transferred on the books of said coal company into the name of Girard Trust Company, as trustee as aforesaid, and 110 shares stand on the books of said coal company in the name of the several directors of said coal company, but the certificates for such directors' shares, duly endorsed in blank by the record holders thereof, have been deposited with Girard Trust Company as trustee as aforesaid.

(b) Forty-eight thousand six hundred fifty-three shares of stock of the par value of $25 per share, in New York and Middle Coal Field Railroad and Coal Company, of which 48,628 shares have been transferred on the books of said railroad and coal company into the name of Girard Trust Company as trustee as aforesaid and 25 shares stand on the books of said railroad and coal company in the name of the several directors of said company, but the certificates for such directors' shares, duly endorsed in blank by the record holders thereof, have been deposited with Girard Trust Company as trustee for the uses and purposes aforesaid.

B. As to the collateral trust four per cent gold bonds of Lehigh Valley Railroad Company and the collateral trust agreement securing said bonds.

On or about November 1, 1905, the Lehigh Valley Railroad Company authorized an issue of its collateral trust four per cent gold bonds, of the denomination of $1,000 each, to an amount not

241 exceeding in the aggregate the principal sum of $19,000,000, such bonds to bear interest at the rate of four per cent per annum, and the principal thereof to be payable in thirty-eight equal installments of $500,000 each, the first of such installments to be payable August 1, 1907, and the subsequent installments to be pay-

able on the first day of February and the first day of August in each ensuing year, the final installment being payable on February 1, 1926.

On or about November 1, 1905, said Lehigh Valley Railroad Company, in order to secure the payment of the principal and interest of said collateral trust four per cent gold bonds, duly made, executed, and delivered its collateral trust agreement, dated November 1, 1905, with this defendant, Girard Trust Company, a true copy of which agreement is annexed to this answer as a part hereof and marked "Exhibit B," and which this defendant prays may be taken in all respects as if it were fully and specifically set forth in the body of this answer, and by said agreement said railroad company assigned and transferred to this defendant, Girard Trust Company, upon the trusts referred to in said agreement the following property:

(a) 58,178 shares of the capital stock of Coxe Brothers & Company, Inc., of the aggregate par value of $2,908,900, being the entire capital stock of said company with the exception of 25 shares of the aggregate par value of $1,250 held by the directors of said Coxe Brothers & Company, Inc., the certificates for said directors' shares duly endorsed in blank by the holders thereof being also deposited with this defendant subject to the terms of said collateral trust agreement.

(b) 29,965 shares of the capital stock of Delaware, Sus-
242 quehanna & Schuylkill Rail Road Company of the aggregate par value of $1,498,250, being the entire capital stock of said Delaware, Susquehanna & Schuylkill Rail Road Company with the exception of 35 shares of the aggregate par value of $1,750 held by the directors of said company, the certificates for said directors' shares duly endorsed in blank by the holders thereof being also deposited with this defendant subject to the terms of said collateral trust agreement.

This defendant, Girard Trust Company, duly accepted the trust created in and by said collateral trust agreement and continuously since the execution and delivery of said collateral trust agreement has acted and is now acting as trustee thereunder. The said shares of stock (together with the certificates for the said directors' shares) were duly assigned and transferred to and are held by this defendant, Girard Trust Company, as trustee, upon the conditions and trusts in said collateral trust agreement expressed and contained. Said shares of stock and said certificates constitute the only security assigned or transferred to this defendant, Girard Trust Company, as trustee under said collateral trust agreement.

Of the bonds issuable under said collateral trust agreement as aforementioned, the entire amount, that is to say, bonds to the aggregate principal amount of $19,000,000 were executed by said railroad company, were duly certified by the endorsement thereon of the certificate of Girard Trust Company as trustee as provided in and by said bonds, and were duly delivered to said railroad company in the

manner provided in and by said collateral trust agreement;
this defendant, Girard Trust Company, is informed and be-
243 lieves, and on such information and belief this defendant
alleges that of the said bonds so certified and delivered to said railroad company $19,000,000 principal amount were negotiated and sold by said railroad company to divers persons, many of whom are unknown to this defendant; that of the said bonds thus negotiated and sold, amounting as aforesaid to $19,000,000, $7,000,000 principal amount have matured by their terms and have been paid and cancelled, and that the balance of said bonds thus negotiated and sold by said railroad company, amounting to $12,000,000 principal amount, are now outstanding and are entitled to the lien and security of said collateral trust agreement.

The shares of stock so assigned and transferred to, and deposited with, this defendant, Girard Trust Company, as trustee under said collateral trust agreement are shares of stock in two of the companies named as defendants in this suit.

III. Wherefore this defendant, Girard Trust Company, prays that this honorable court will have regard for and will protect the rights of this defendant as trustee as aforesaid, and particularly its rights as such trustee with respect to the said shares of stock in said The Lehigh Valley Coal Company, Coxe Brothers & Company, Inc., Delaware, Susquehanna and Schuylkill Rail Road Company, and New York and Middle Coal Field Railroad and Coal Company; and that this honorable court will have regard for and will protect the rights and interests in the premises of the several holders of the said general consolidated mortgage gold bonds and the said collateral trust four
per cent gold bonds of said Lehigh Valley Railroad Company;
244 and for such other and further relief in the premises as to this
honorable court may seem meet and in accordance with equity.

RIGHT, CLARK, BUCKNER & HOWLAND,
*Solicitors for Girard Trust Company.*

SILAS W. HOWLAND,
JOHN HAMPTON BARNES,
*Of Counsel.*

[fol. 144]

STATE OF PENNSYLVANIA,
*County of Philadelphia, ss:*

I, Henry F. Walton, prothonotary of the county of Philadelphia and clerk of the courts of common pleas of said county, which are courts of record having a common seal, being the officer authorized by the laws of the State of Pennsylvania to make the following certificate, do certify: That William J. Dickson, Esquire, before whom the annexed affidavit was made, was at the time of so doing a notary public for the Commonwealth of Pennsylvania, residing in the county of Philadelphia, duly commissioned and qualified to admin-

ister oaths and affirmations and to take acknowledgments and proofs of deeds or conveyances for lands, tenements, and hereditaments to be recorded in the State of Pennsylvania, and to all whose acts, as such, full faith and credit are and ought to be given, as well in courts of judicature as elsewhere; and that I am well acquainted with the handwriting of the said notary public and verily believe his signature thereto is genuine, and that said oath or affirmation purports to be taken in all respects as required by the laws of the State of Pennsylvania.

In testimony whereof I have hereunto set my hand and affixed the seal of said court this 1st day of May in the year of our Lord one thousand nine hundred and fourteen (1914).

[SEAL.] HENRY F. WALTON,
*Prothonotary.*

245 COMMONWEALTH OF PENNSYLVANIA,
*County of Philadelphia, ss:*

W. N. Ely, being duly sworn, deposes and says that he is an officer, to wit, vice president, of Girard Trust Company, the defendant named in the foregoing answer, and that he has read the foregoing answer and knows the contents thereof; that the allegations contained therein in respect to the acts of Girard Trust Company are true in substance and in fact, and in respect to all other allegations in said answer he is credibly informed and believes that the same are true in substance and in fact.

W. N. ELY.

Subscribed and sworn to before me, a notary public, this 30th day of April, 1914, and I do hereby certify that I am duly authorized under and by virtue of the laws of the Commonwealth of Pennsylvania to administer oaths.

WILLIAM J. DICKSON,
*Notary Public in and for said County and Commonwealth.*

Commission expires February 21st, 1915.

246 EXHIBIT "A."

*General consolidated mortgage.*

Lehigh Valley Railroad Company to Girard Trust Company, trustee.
Dated September 30th, 1903.

247 This indenture, made the thirtieth day of September, in the year one thousand nine hundred and three, between

Lehigh Valley Railroad Company, a corporation created by and existing under the laws of the State of Pennsylvania (hereinafter called the "railroad company"), party of the first part, and Girard

Trust Company, a corporation created by and existing under the laws of the State of Pennsylvania (hereinafter called the "trustee"), party of the second part.

Whereas at a meeting of the board of directors of the railroad company, duly called and held at its office in the city of Philadelphia on the thirtieth day of September, in the year nineteen hundred and three, the draft of a mortgage or deed of trust in the form of this indenture was submitted and read, and resolutions in the following words were duly and unanimously adopted, viz:

Resolved, That the president or vice president and the secretary of the company be, and they are hereby, authorized and directed, in its behalf and under its corporate seal, and in form substantially that now submitted to this board, to execute and deliver a mortgage or deed of trust upon the property and franchises of the corporation, to be known as the "general consolidated mortgage," to Girard Trust Company, as trustee, to secure an issue of bonds for an aggregate principal sum not exceeding $150,000,000, the principal of such bonds to be payable in gold coin of the United States of the
248 present standards of weight and of fineness on the first day of May, in the year 2003, at the office or agency of the railroad company in the city of Philadelphia or in the city of New York, as shall be determined by the board of directors from time to time as such bonds shall be issued, with interest thereon at such rate per annum, not exceeding five per cent, as shall from time to time be determined by the board of directors when such issues of such bonds shall be made; interest to be payable semiannually at said office or agency in like gold coin on the first days of May and November in each year; such bonds to be issued and disposed of on the conditions, for the purposes, and in the manner set forth in said form of mortgage.

And whereas the bonds to be secured by this indenture are to be executed in the name and on behalf of the said company and under its corporate seal by its president or any vice president and its secretary or assistant secretary as and when called for by resolution of the board of directors of the railroad company under the terms of this indenture, and are to be for such denomination or par value, at such rate of interest, and in such form consistent with the terms of this indenture as at the time of issue said board shall prescribe, the $20,000,000 of said bonds which, as hereinafter provided, may be forthwith issued, to be coupon bonds of the denomination of $1,000, numbered consecutively from 1 upwards, and registered bonds of the denominations of $1,000, $5,000, and $10,000, numbered consecutively from A 1 upwards for $1,000 bonds, B 1 upwards for $5,000 bonds, and C 1 upwards for $10,000 bonds, and to be substantially in the following tenor, unless at the time of issue the board of directors shall prescribe some other denomination and form consistent with the terms of this indenture.

249 [Form of coupon bond.]

No.—. $1,000

United States of America.
State of Pennsylvania.
Lehigh Valley Railroad Company.
General consolidated mortgage gold bond.
Total issue, $150,000,000.
Coupon bond.

Know all men by these presents, That Lehigh Valley Railroad Company, a corporation of the State of Pennsylvania, hereinafter called the "railroad company," for value received, promises to pay to the bearer or, if registered, to the registered holder of this bond one thousand dollars gold coin of the United States of America on the first day of May, in the year 2003, at the office or agency of the railroad company, in the city of Philadelphia, and to pay interest thereon from November 1st, 1903, at the rate of per cent per annum, payable semiannually in like gold coin at said office or agency on the first days of May and November in each year, but only upon presentation and surrender of the annexed coupons as they severally mature, such United States gold coin in every case to be of the standard of weight and fineness as it existed July 1st, 1903.

Both the principal and interest of this bond are payable without deduction for any tax or taxes of the United States, or of any State, county, or municipality thereof, which the railroad company may be required to pay or to retain therefrom under any present or future law.

This bond is one of a series of coupon and registered bonds of the railroad company known as "general consolidated mortgage gold bonds," duly authorized and approved by the board of directors of the railroad company, and issued and to be issued to an amount not exceeding in the aggregate $150,000,000 at any one time outstanding; all of which bonds are issued under and in pursuance of, and are equally secured by, a mortgage or deed of trust dated September 30th, 1903, executed by the railroad company to Girard Trust
250 Company, a corporation of the State of Pennsylvania, as trustee, of all the property and franchises of the railroad company mentioned in said mortgage or deed of trust, to which reference is hereby made for a description of the property and franchises mortgaged and the nature and extent of the security, and the rights of the holders of said bonds under the same and the terms and conditions upon which said bonds are issued and secured.

This bond may be registered as to principal in the owner's name on the books of the railroad company at the office or agency of the railroad company in the city of Philadelphia, such registry being noted on the bond by the railroad company's transfer agent, after which no transfer shall be valid unless made on the railroad company's

books by the registered owner in person or by attorney duly authorized and similarly noted on the bond; but the same may be discharged from registry by being transferred to bearer, after which transferability by delivery shall be restored; but it may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons by delivery merely. This bond is also exchangeable for registered bonds without coupons, as provided in said mortgage or deed of trust, on payment, if the railroad company shall so require, of the charge therein provided for.

This bond shall not become obligatory for any purpose until it shall have been authenticated by the certificate, hereon endorsed, of the trustee under said mortgage or deed of trust.

In witness whereof Lehigh Valley Railroad Company has caused these presents to be signed by its president or by its vice president and its corporate seal to be hereunto affixed and attested by its secretary or its assistant secretary, and coupons for said interest, with the engraved signature of its treasurer, to be attached hereunto this thirtieth day of September, 1903.

LEHIGH VALLEY RAILROAD COMPANY,

By

*Vice President.*

Attest:

*Secretary.*

251 [Form of registered bond.]

No. A---  $

United States of America.
State of Pennsylvania.
Lehigh Valley Railroad Company.
General consolidated mortgage gold bond.
Total issue, $150,000,000.
Registered bond.

Know all men by these presents, that Lehigh Valley Railroad Company, a corporation of the State of Pennsylvania, hereinafter called the "railroad company," for value received, promises to pay or assigns, thousand dollars, gold coin of the United States of America, on the first day of May, in the year 2003, at the office or agency of the railroad company in the city of Philadelphia, and to pay interest thereon from the first day of May or November, as the case may be, next preceding the date of issue hereof, at the rate of per cent per annum, payable semiannually, in like gold coin, at said office or agency, on the first days of May and November in each year, such United States gold coin in

every case to be of the standard of weight and fineness as it existed July 1st, 1903.

Both the principal and interest of this bond are payable without deduction for any tax or taxes of the United States or of any State, county, or municipality thereof, which the railroad company may be required to pay, or to retain therefrom, under any present or future law.

This bond is one of a series of coupon and registered bonds of the railroad company, known as "general consolidated mortgage gold bonds," duly authorized and approved by the board of directors of the railroad company, and issued and to be issued, to an amount not exceeding in the aggregate $150,000,000 at any one time outstanding; all of which bonds are issued under and in pursuance of, and are equally secured by, a mortgage or deed of trust, dated Sep-
252 tember 30th, 1903, executed by the railroad company to Girard Trust Company, a corporation of the State of Pennsylvania, as trustee, of all the property and franchises of the railroad company mentioned in said mortgage or deed of trust, to which reference is hereby made for a description of the property and franchises mortgaged, and the nature and extent of the security, and the rights of the holders of said bonds, under the same, and the terms and conditions upon which said bonds are issued and secured.

This bond is transferable by the registered holder hereof, in person or by attorney duly authorized, on the books of the railroad company at the office or agency of the railroad company in the city of Philadelphia upon surrender and cancellation of this bond, and a new registered bond will be issued to the transferee in exchange therefor, as provided in said mortgage or deed of trust, and on payment, if the railroad company shall so require, of the charge therein provided for.

This bond shall not become obligatory for any purpose until it shall have been authenticated by the certificate, hereon endorsed, of the trustee under said mortgage or deed of trust.

In witness whereof, Lehigh Valley Railroad Company has caused these presents to be signed by its president or by its vice president, and its corporate seal to be hereunto affixed and attested by its secretary or its assistant secretary this day of

LEHIGH VALLEY RAILROAD COMPANY,

By

*Vice President.*

Attest:

*Secretary.*

And whereas, there are to be annexed to the said coupon bonds, at the time of the issue thereof, coupons representing the semiannual interest installments which may become due thereon to and including the first day of May, 2003, each of which coupons is to be substantially of the following tenor:

253 [Form of interest coupon.]

No. $---

On the first day of Lehigh Valley Railroad Company will pay to bearer, at its office or agency in the city of Philadelphia, dollars gold coin, without deduction for taxes, being six months' interest then due on its general consolidated mortgage gold bond No.

*Treasurer.*

And whereas the coupons to be attached to said coupon bonds are to be authenticated by the engraved signature of the present treasurer or of any future treasurer of the company, it being intended that the company may adopt and use for that purpose the engraved signature of any person who shall have been its treasurer, at or subsequent to the date of these presents, notwithstanding the fact that he may have ceased to be such treasurer at the time when such bonds shall be actually certified and delivered;

And whereas there is to be endorsed on each of such bonds a certificate of the trustee that it is one of the general consolidated mortgage gold bonds herein described, and no bond will be valid or obligatory for any purpose until such certificate shall have been executed by the trustee, such certificate to be substantially of the following tenor, viz:

[Form of trustee's certificate.]

This bond is one of the series of general consolidated mortgage gold bonds referred to in the within-mentioned mortgage executed by Lehigh Valley Railroad Company to the undersigned.

GIRARD TRUST COMPANY,
*Trustee.*

By
*Vice President.*

254 Now, therefore, this indenture witnesseth:

That in order to secure the payment of the principal and interest of all such bonds at any time issued and outstanding under this indenture, according to their tenor and effect, and the performance of all the covenants and conditions herein contained, and to declare the terms and conditions upon which such bonds are issued and received, and in consideration of the premises and of the purchase and acceptance of such bonds by the holders thereof, and of the sum of one dollar to the railroad company, duly paid by the trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged:

Lehigh Valley Railroad Company, party of the first part, has granted, bargained, sold, aliened, remised, released, conveyed, con-

firmed, assigned, transferred, and set over, and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, assign, transfer, and set over unto the trustee, party of the second part, its successors and assigns forever:

All and singular, the following estates, railroads, lands, properties, rights, privileges and franchises, and shares of capital stock, viz:

First. The main line of railroad of said Lehigh Valley Railroad Company, extending from Phillipsburg, in the State of New Jersey, on the eastern bank of the river Delaware, opposite the city of Easton, in the county of Northampton, in the State of Pennsylvania, to Wilkesbarre, in the county of Luzerne, in the said State of Pennsylvania; also the following branches, all in the said State of Pennsylvania: The Barber's quarry branch, West End branch, and Jordan loop, at Allentown, Lehigh County; the Egypt branch, at Coplay, Lehigh County; the Slatedale branch, extending from Slatington,
Lehigh County, to Seagersville quarry, Lehigh County; the
255 Welshtown Creek branch, at Slatington, Lehigh County; the Mahoning Creek branch, at Lehighton, Carbon County; the Silk Mill branch, at Mauch Chunk, Carbon County; the Beaver Meadow branch, extending from Penn Haven Junction on said main line, in the county of Carbon, to Audenried, in said county of Carbon; the Lehigh and Mahanoy branch, extending from Black Creek Junction, on the said Beaver Meadow branch, in said county of Carbon, to Mount Carmel, in the county of Northumberland; the Ashland branch, extending from Kohinoor Junction to Ashland, in the county of Schuylkill; the Hazleton branch, extending from Hazle Creek Junction, on the said Beaver Meadow branch, in the county of Carbon, through Hazleton, to Tomhicken, in the county of Luzerne; the Delano and Hazleton branch, extending from Hazleton Junction, on the said Hazleton branch, in said Luzerne County, to New Boston Junction, in the county of Schuylkill; the Lehigh Luzerne branch, extending from Hazleton branch, at Lumber Yard, in the county of Luzerne, to Harleigh Junction, on the said Hazleton branch, and to Milnesville, in the county of Luzerne; the Highland branch, extending from Pink Ash Junction, on the Lehigh Luzerne branch, in the county of Luzerne, to Sandy Run Junction, in the same county; the Bear Creek branch, extending from Bear Creek Junction, in the county of Luzerne, to Beaupland, in the same county; the Mountain cut off, from Fairview, in the county of Luzerne, to Avoca, in the same county; said railroads, with their branches, turnouts, and sidings, amounting in the aggregate to 798.75* miles of single-track railroad; together with all other branches of the said railroads, and each of them, now belonging to or which may hereafter be constructed by or belong to the said party of the first part in the said State of Pennsylvania:

* The additional mileage of the lines of railroad whose capital stocks are pledged hereunder under subdivisions I and II of section third of the granting clauses hereof is 761.46 miles.

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256 Including any and all roadbed, superstructure, rights of way, rails, tracks, sidetracks, bridges, viaducts, buildings, depots, stations, warehouses, car houses, engine houses, freight houses, coaling stations, machine shops and other shops, turntables, water stations, fences, docks, structures, erections, and fixtures, and all other things of whatever kind in any wise or now or hereafter belonging or appertaining to any line of railway, or to any branch or extension, at any time subject to the lien of this indenture, or provided for use thereon, or in connection therewith; and any and all lands now or hereafter designed for depots, warehouses, or other structures at any terminus, or on and along such lines of railway, or upon or along any such branch or extension; and any and all locomotives, engines, cars, and other rolling stock, equipment, machinery, instruments, tools, implements, materials, and furniture now owned or hereafter acquired by the railroad company, and other chattels, wheresoever situated, now or hereafter held, acquired, or provided for use upon such lines of railway or branches or extensions, or upon any other line or branch or extension, or upon any operated line; and any and all leases, under which it now operates or may hereafter operate any railroads, and any and all other property, real or personal, of every kind and description, now or hereafter acquired for use upon, or in connection with, or for the purpose of, any lines of railway, branches, or extensions now or hereafter subject to the lien hereof; and any and all corporate or other rights, privileges, and franchises which the railroad company now has, or hereafter shall acquire, possess, or exercise for or appertaining to the construction, maintenance, use, or operation of such lines of railway or branches or extensions, or any part thereof; and any and all the rents, issues, profits, tolls, and other income of such lines of railway, or branches or extensions, or any part thereof; and any and all the rights, privileges, franchises, properties, real or personal, rights, and
257 things which the railroad company may or shall hereafter possess, or become entitled to possess, for the purpose of, or in connection with, the operation of such lines of railway or any such branch or extension.

The leases now existing and referred to above are:

Pennsylvania and New York Canal and Railroad Company to Lehigh Valley Railroad Company, dated Dec. 1, 1888.

The Lehigh Valley Rail Way Company to Lehigh Valley Railroad Company, dated April 14, 1891.

Lehigh and New York Railroad Company to Lehigh Valley Railroad Company, dated Aug. 24, 1895.

Second. All and singular the following estates, lands, wharves, and properties:

1. All that certain lot or piece of ground, with the building thereon erected, situate on the west side of Third Street (enlarged by a strip of ground ten feet in width thrown out for public use to widen the footway) and on the south side of Willing's Alley as at present laid out and opened, eighteen feet in width between Walnut and Spruce

Streets, in the city of Philadelphia, State of Pennsylvania, containing in front or breadth on Third Street forty-two feet three inches, and extending of that width westward one hundred and seventy-eight feet six inches on the north line thereof and one hundred and seventy-eight feet ten and one-fourth inches on the south line thereof, to the easternmost line of a private passageway or court.

Together with the free use, right, and privilege of the said passageway and watercourse.

(Being the same premises which the Pennsylvania Railroad Company et al., by deed bearing date the tenth day of May, A. D. 1872, and recorded in the office for recording of deeds in and for the city and county of Philadelphia, in Deed Book F. T. W., No. 10, page 44, etc., granted and conveyed unto the Lehigh Valley Railroad Company, its successors and assigns.)

258 2. All that certain lot or piece of ground, with the building thereon erected, situate on the west side of Third Street (enlarged by a strip of ground ten feet in width thrown out for public use to widen the footway by Thomas Willing, Benjamin Chew, and others, by indenture of five parts, dated the twentieth day of December, A. D. 1809), between Spruce Street and Willing's Alley, in the city of Philadelphia. Beginning at a point on the west side of Third Street, enlarged as aforesaid at the distance of forty-two feet three inches southward from the south side of Willing's Alley aforesaid, containing in breadth north and south twenty feet six and a half inches and in length or depth east and west one hundred and fifty-one feet ten and three-fourths inches on the north line and one hundred and fifty-two feet on the south line thereof.

(Being the same premises which the Pennsylvania Railroad Company et al., by deed bearing date the tenth day of May, A. D. 1872, and recorded in the office for the recording of deeds in and for the city and county of Philadelphia, in Deed F. T. W., No. 10, page 49, etc., granted and conveyed unto the Lehigh Valley Railroad Company, its successors and assigns.)

Together with all the rights and privileges mentioned and expressed in the above-mentioned indenture of five parts, which shall or of right ought to attach to the owners and occupiers of the said premises.

3. All those two certain lots or pieces of ground, with the buildings and improvements thereon erected, situate in the sixth ward of the city of Philadelphia, described according to a survey thereof made by W. C. Cranmer, surveyor and regulator of the third district, on the eighth day of September, A. D. 1890, as follows, to wit:

One thereof, beginning at a point on the west side of Delaware Avenue at a distance of two hundred and six and fifty-six one-hundredths feet northward from the north side of Arch Street; thence extending northward along the west side of said Delaware Avenue sixty-four feet to a point on the south side of a certain ten-feet wide alley; thence extending westward along the south side of said alley one hundred and thirty-seven and ninety-two one-hundredths feet to

a point on the east side of Water Street; thence extending southward along said side of Water Street fifty-three and eighty-five one-hundredths feet to a point; thence extending eastward ninety-one and fifty-eight one hundredths feet to a point; thence extending southward twelve and fifty-four one-hundredths feet to a point; then extending eastward forty-six and forty-two one-hundredths feet to the first-mentioned point and place of beginning.

And the other thereof, beginning at a point on the east side of said Delaware Avenue at a distance of one hundred and seventy-six and forty-eight one-hundredths feet northward from the north side of Arch Street; thence extending northward along the said side of Delaware Avenue ninety-three and twenty-seven one-hundredths feet to a point in the south line of a certain ten-feet wide alley; thence extending eastward along the south side of said alley two hundred and seventy-five and fifteen one-hundredths feet to the port warden's line in the river Delaware; thence extending southward along the said port warden's line eighty-nine and four hundred and twenty-six one-thousandths feet; thence extending westward two hundred and seventy-six and eighty-four one-hundredths feet to the first-mentioned point and place of beginning.

Excepting therefrom the following described tract:

Beginning at a point on the east side of Delaware Avenue at its intersection with the southerly line of lands of the Lehigh Valley Railroad Company; thence westward along the southerly line of lands of the Lehigh Valley Railroad Company 118 feet 5/8 inches more or less to a point in the former easterly side of Delaware Avenue, distant 176.48 feet northward, measured along said former easterly line of Delaware Avenue from the northerly line of Arch Street; thence northward along the former easterly line of Delaware Avenue 93.27 feet; thence eastward 118 feet more or less to the eastward side of Delaware Avenue; thence southward along said easterly side of Delaware Avenue 92 feet more or less to the place of beginning. Being a part of the tract of land which was dedicated by the Lehigh Valley Railroad Company to the city of Philadelphia, December 22, 1897, for the widening of Delaware Avenue.

4. All that certain lot or piece of ground, with the buildings, wharves, and improvements thereon erected, situate in the sixth ward of the said city of Philadelphia, described according to a survey thereof made by W. C. Cranmer, a surveyor and regulator of the third district, on the eighth day of September, A. D. 1890, as follows, to wit:

Beginning at a point on the east side of Delaware Avenue at the distance of one hundred and fifty-one and ninety-four one-hundredths feet southward from the south side of Race Street; thence extending southward along the said side of Delaware Avenue one hundred and eighty-two and twenty-nine one-hundredths feet to a point on the north side of a certain ten-feet wide alley; thence extending eastward along the north side of said alley two hundred and seventy-five and five one-hundredths feet to the port warden's line in the

river Delaware; thence extending northward along the said port warden's line one hundred and eighty-three and fifty-six one-hundredths feet; thence extending westward two hundred and seventy-four and sixty-one one-hundredths feet to the first-mentioned point and place of beginning.

Excepting therefrom the following described tract: Beginning at a point in the east side of Delaware Avenue at its intersection with the northerly line of lands of the Lehigh Valley Railroad Company; thence westward along the northerly line of lands of the Lehigh Valley Railroad Company 117 feet 5/8 inches more or less to a point in the former east side of Delaware Avenue, distant 151.94 feet southward, measured along the said former easterly side of Delaware Avenue from the southerly side of Race Street; thence southward along said former easterly line of Delaware Avenue 182.29 feet; thence eastward 117 feet more or less to the easterly side of Delaware Avenue; thence northward along the said easterly side of Delaware Avenue 181 feet more or less to the place of beginning. Being a part of the tract of land which was dedicated by the Lehigh Valley Railroad Company to the city of Philadelphia, December 22, 1897, for the widening of Delaware Avenue.

Under and subject to a certain mortgage debt of one hundred and fifty thousand dollars ($150,000), secured upon the premises by indenture of mortgage given and executed by Charles Hartshorne to Alexander Kerr, dated October 9th, 1890, and recorded at Philadelphia, in Mortgage Book G. G. P., No. 636, page 326, &c., together with the interest due and to become due thereon.

261 Also, all the right, title and interest of the said Lehigh Valley Railroad Company in and to said ten-feet wide alley above mentioned, and extending from the easterly side of Delaware Avenue to the port warden's line in the Delaware River, which said alley was, by ordinance of the select and common councils of the city of Philadelphia, approved the twenty-first day of September, A. D. 1896, stricken from the city plan.

5. All that certain lot or piece of ground, with the buildings and improvements thereon erected, situate in the sixth ward of the city of Philadelphia, in the State aforesaid, described according to a survey thereof made by W. C. Cranmer, surveyor and regulator of the third district, on the twelfth day of March, A. D. 1892, as follows, viz:

Beginning at a point on the west side of Delaware Avenue at the distance of one hundred and sixty-two feet eight and three-quarter inches northward from the north side of Arch Street (which said point is also in the middle of a certain alley eight feet eight inches front on the said Delaware Avenue, which extends westward increasing in width to the east side of Water Street, on which it contains nine feet four inches); thence extending westward along the center line of said alley one hundred and thirty-eight feet two and five-eighths inches to a point on the east side of said Water Street at a distance of one hundred and sixty-three feet five and three-

quarters inches northward from the north side of Arch Street aforesaid; thence northward along the east side of said Water Street fifty-five feet nine and three-quarters inches to a point; thence eastward ninety-one feet seven inches to a point; thence southward twelve feet six and one-half inches to a point; thence further eastward forty-six feet five inches to a point on the west side of said Delaware avenue; thence southward along the said side of Delaware Avenue forty-three feet ten inches to the first-mentioned point and place of beginning.

Together with the free and common use, right, liberty, and privilege of the said alley as and for a passageway and water course at all times hereafter forever in common with the owners, tenants, and occupiers of the other lots of ground bounding thereon.

Under and subject to a certain mortgage debt of twenty
262 thousand dollars ($20,000) secured upon the premises by indenture of mortgage given and executed by Charles Hartshorne to the Pennsylvania Company for Insurances on Lives and Granting Annuities, trustee, dated April 4th, 1892, and recorded at Philadelphia, in Mortgage Book T. G., No. 147, page 349, etc., together with the interest due and to become due thereon.

(Being the same premises (as to above tracts 3, 4, and 5) which Charles Hartshorne, by deed dated the thirtieth day of April, A. D. 1897, and recorded in the office for recording of deeds in and for the city and county of Philadelphia in Deed Book W. M. G., No. 194, page 83, etc., granted and conveyed (subject as aforesaid) unto the Lehigh Valley Railroad Company, its successors and assigns.)

6. The rights, interests, equities, claims and demands as particularly set forth in certain declarations of trust made, executed and delivered to the trustee herein for the benefit of the holders of the bonds secured hereby, to wit:

(a) Declaration of trust, United Real Estate Company to the Girard Trust Company, of Philadelphia, and the Lehigh Valley Railroad Company, dated the 14th day of July, A. D. 1903, as to certain real estate in Jersey City, N. J., containing 8¼ acres more or less, known as the Kellogg lots; conveyed to the United Real Estate Company by Charles Hartshorne by deed dated April 23, 1898, and recorded in Book 699 of Deeds, page 495, &c., in the office of the register of deeds of Hudson County, N. J.

(b) Declaration of trust, United Real Estate Company to the Girard Trust Company, of Philadelphia, and the Lehigh Valley Railroad Company, dated the 14th day of July, A. D. 1903, as to certain real estate in Jersey City, containing 4.7 acres more or less, known as the Edge lots; conveyed to the United Real Estate Company by two deeds; one from Charles L. Carrick, special master in chancery, and the other from Benjamin Edge, each dated June 5, 1900, and recorded in Book 753 of Deeds, page 299, &c., and page 288, &c., respectively, in the office of the register of deeds of Hudson County, N. J.

263 (c) Declaration of trust, United Real Estate Company to the Girard Trust Company, of Philadelphia, and the Lehigh Valley Railroad Company, dated 14th day of July, A. D. 1903, as to certain real estate in the city of Bayonne, N. J., containing 127.93 acres, known as the Constable Hook property; conveyed to the United Real Estate Company by Elisha P. Wilbur and wife by deed dated April 28, 1898, and recorded in Book 699 of Deeds, page 408, &c., in the office of the register of deeds of Hudson County, N. J.

(d) Declaration of trust, United Real Estate Company to the Girard Trust Company, of Philadelphia, and the Lehigh Valley Railroad Company, dated 14th day of July, A. D. 1903, as to certain real estate in the city of Newark, containing 199 acres, more or less, known as the Newark Meadow property; conveyed to the United Real Estate Company by sundry deeds, containing full description of same, as follows:

(1) L. D. H. Gilmour et ux. to the United Real Estate Company, dated October 12, 1899, and recorded in the office of the register of Essex County, N. J., in Book T 32 of Deeds, pages 550–552.

(2) Clarence T. Platt et ux. to the United Real Estate Company, dated October 14, 1899, and recorded in aforesaid office in Book Q 32, page 589–590.

(3) Clarence T. Platt et ux. to the United Real Estate Company, dated June 2, 1899, and recorded in said office in Book T 32, page 552–554.

(4) L. D. H. Gilmour et ux. to the United Real Estate Company, dated April 27, 1899, and recorded in said office in Book T 32, page 532–535.

(5) L. D. H. Gilmour et ux. to the United Real Estate Company, dated April 29, 1899, and recorded in said office in Book T 32, page 547–550.

(6) L. D. H. Gilmour et ux. to the United Real Estate Company, dated July 30, 1900, and recorded in said office in Book O 33, page 385–386.

264 (7) L. D. H. Gilmour et ux. to the United Real Estate Company, dated November 14, 1899, and recorded in said office in Book U 32, page 187–188.

(8) L. D. H. Gilmour et ux. to the United Real Estate Company dated May 29, 1899, and recorded in said office in Book Q 32, page 593–594.

(9) L. D. H. Gilmour et ux. to the United Real Estate Company, dated June 9, 1899, and recorded in said office in Book T 32, page 545–547.

(10) John B. Stetson et ux. to the United Real Estate Company, dated May 6, 1899, and recorded in said office in Book Q 32, page 592–593.

(11) L. D. H. Gilmour et ux. to the United Real Estate Company, dated July 28, 1899, and recorded in said office in Book T 32, page 540–542.

(12) L. D. H. Gilmour et ux. to the United Real Estate Company, dated April 27, 1899, and recorded in said office in Book Q 32, page 595–596.

(13) William W. Winner to the United Real Estate Company, dated May 4, 1899, and recorded in said office in Book Q 32, page 590–591.

(14) L. D. H. Gilmour et ux. to the United Real Estate Company, dated August 2, 1899, and recorded in said office in Book Q 32, page 596–597.

(15) L. D. H. Gilmour et ux. to the United Real Estate Company, dated May 4, 1899, and recorded in said office in Book T 32, page 543–545.

(16) L. D. H. Gilmour et ux. to the United Real Estate Company, dated October 12, 1899, and recorded in said office in Book U 32, page 1–2.

(17) L. D. H. Gilmour et ux. to the United Real Estate Company, dated April 21, 1899, and recorded in said office in Book T 32, page 537–540.

(18) L. D. H. Gilmour et ux. to the United Real Estate
265 Company, dated June 1, 1899, and recorded in said office in Book Q 32, page 598–599.

(19) L. D. H. Gilmour et ux. to the United Real Estate Company, dated May 11, 1899, and recorded in said office in Book Q 32, page 599–600.

(20) L. D. H. Gilmour et ux. to the United Real Estate Company, dated April 29, 1899, and recorded in said office in Book T 32, page 535–537.

(21) L. D. H. Gilmour et ux. to the United Real Estate Company, dated April 21, 1899, and recorded in said office in Book U 32, page 2–3.

(22) L. D. H. Gilmour et ux. to the United Real Estate Company, dated April 29, 1899, and recorded in said office in Book U 32, page 4–5.

(23) L. D. H. Gilmour et ux. to the United Real Estate Company, dated October 20, 1899, and recorded in said office in Book U 32, page 5–6.

(24) Ada McGregor Clark and husband to the United Real Estate Company, dated May 26, 1900, and recorded in said office in Book M 33, page 87–90.

(25) William P. Coe et ux. to the United Real Estate Company, dated April 12, 1900, and recorded in said office in Book F 33, page 320–322.

(26) M. A. Pierson et als., executors, to the United Real Estate Company, dated April 12, 1900, and recorded in said office in Book F 33, page 318–320.

(27) H. F. Osborne et als. to the United Real Estate Company, dated April 12, 1900, and recorded in said office in Book F 33, page 315–317.

(28) L. D. H. Gilmour et ux. to the United Real Estate Company, dated August 9, 1900, and recorded in said office in Book O 33, page 455–456.

(29) L. D. H. Gilmour et ux. to the United Real Estate Company, dated February 21, 1900, and recorded in said office in Book F 33, page 7–9.

266 (30) L. D. H. Gilmour et ux. to the United Real Estate Company, dated February 21, 1900, and recorded in said office in Book D 33, page 278–279.

(31) L. D. H. Gilmour et ux. to the United Real Estate Company, dated February 21, 1900, and recorded in said office in Book F 33, page 9–11.

(32) L. D. H. Gilmour et ux. to the United Real Estate Company, dated May 21, 1900, and recorded in said office in Book F 33, page 560–562.

(33) M. P. Guerin et al., executors, to the United Real Estate Company, dated February 20, 1900, and recorded in said office in Book G 33, page 79–81.

(34) E. R. McGregor and husband to the United Real Estate Company, dated February 27, 1900, and recorded in said office in Book G 33, page 77–79.

(35) George W. Weidenmayer et ux. to the United Real Estate Company, dated November 3, 1899, and recorded in said office in Book V 32, page 495–497, excepting therefrom all that portion of the tract conveyed which lies south of the southerly side of Murray Street, being land included within the right of way lines of the Lehigh Valley Terminal Railway and also land which was conveyed by the United Real Estate Company to the New York Bay Railroad Company by deed dated May 23d, 1900.

(36) Robert H. Sayre et ux. to the United Real Estate Company, dated November 30, 1897, and recorded in the said office in Book F 31, page 164–170.

(e) Declaration of trust, United Real Estate Company to the Girard Trust Company, of Philadelphia, and the Lehigh Valley Railroad Company, dated 14th day of July, A. D. 1903, as to other real estate in the city of Newark, known as the Alpine Street Terminal, conveyed to the United Real Estate Company by sundry deeds containing full descriptions of same, as follows:

(1) David G. Baird et ux. to the United Real Estate Com-
267 pany, dated Nov. 30, 1897, recorded in office of register of Essex County, New Jersey, in Deed Book D 31, page 339.

(2) John C. Groel et ux. to the United Real Estate Company, dated March 31, 1902, recorded in office of register of Essex County, New Jersey, in Book D 35 of Deeds, page 382.

(3) Margaret W. Fort to United Real Estate Company, dated December 6, 1901, recorded in office of register of Essex County, New Jersey, in Book W 34, page 251.

(4) L. D. H. Gilmour et ux. to the United Real Estate Company, dated April 21, 1902, recorded in office of register of Essex County, New Jersey, in Book K 35, page 51.

(4) Willard S. Muchmore to United Real Estate Company, dated April 21, 1902, recorded in office of register of Essex County, New Jersey, in Book K 35, page 50.

(5) Albert Lewis Lumber Company to United Real Estate Company, dated July 7, 1902, recorded in office of register of Essex County, New Jersey, in Book L 35, page 544.

(6) John S. Howkins et ux. to United Real Estate Company, dated Nov. 8, 1902, recorded in office of register of Essex County, New Jersey, in Book D 36, page 14.

(f) Declaration of trust, United Real Estate Company to the Girard Trust Company, of Philadelphia, and the Lehigh Valley Railroad Company, dated 14th day of July, A. D. 1903, as to other real estate in the city of Newark, known as the Newark Coal Pockets; conveyed to the United Real Estate Company by David G. Baird et ux. by deed dated November 30th, 1897, and recorded in the office of the said register of deeds of Essex County in Deed Book D 31, page 349.

Third. Shares of capital stock of the following-named companies, in the amounts (at par) stated, belonging to the railroad company:

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I.

| | |
|---|---|
| The Lehigh Valley Railway Company * | $7,720,000 |
| Lehigh & New York Railroad Company (preferred) | 2,148,506 |
| Pennsylvania & New York Canal & Railroad Company | 1,051,200 |
| Schuylkill & Lehigh Valley Railroad Company | 1,998,950 |
| Easton & Northern Railroad Company | 300,000 |
| Lehigh Valley Railroad Company of New Jersey † | 16,454,000 |
| National Docks Railway Company | 3,854,000 |
| Lehigh Valley Transportation Company | 750,000 |
| The Lehigh Valley Coal Company | 1,000,000 |
| Hazleton Coal Company | 500,000 |

II.

| | |
|---|---|
| The Elmira, Cortland & Northern Railroad Company | 2,000,000 |
| The Canal Railroad Company | 60,000 |
| The Canastota Northern Railroad Company | 200,000 |
| Loyalsock Railroad Company | 300,000 |
| The Wilkes-Barre & Harvey's Lake Railroad Company | 150,000 |

* Formed by merger August 3, 1903, of the following corporations: The Lehigh Valley Railway Company, the Depew & Tonawanda Railroad Company, Rochester Southern Railroad Company, Middlesex Valley Railroad Company, the Seneca County Railway, and the Waverly and State Line Railway Company.

† Formed by merger July 29, 1903, of the following corporations: Easton and Amboy Railroad Company, Lehigh Valley Terminal Railway Company, Greenville and Hudson Railway Company, Middlesex Railway Company, Perth Amboy and Raritan Railway Company, and Pittstown Branch Railway Company.

| | |
|---|---|
| Coal Ridge Improvement & Coal Company | $1,335,450 |
| Coal Ridge Improvement & Coal Company (preferred) | 122,350 |
| Mineral Spring Coal Company | 300,000 |
| New York & Middle Coal Field Railroad & Coal Company | 1,061,150 |
| Westwood Coal Company | 165,000 |
| National Storage Company | 2,400,000 |

269 The said stocks comprise the entire capital stocks of the companies above named with the exception of the following three minority interests outstanding in the hands of the public, viz, $1,654,842 of the stock of the Lehigh and New York Railroad Company; $42,200 of the stock of the Coal Ridge Improvement and Coal Company; and $438,850 of the stock of the New York and Middle Coal Field Railroad and Coal Company.

Fourth. All right, title, and interest of the Lehigh Valley Railroad Company that may be hereafter acquired in or to any and all other shares of stock of any of the companies above enumerated in subdivision third.

Fifth. All property of every name and nature hereafter acquired by the railroad company which, by any of the provisions of this indenture, it is required to convey, mortgage, pledge, assign, or transfer to the trustee.

Sixth. All property of every name and nature, from time to time hereafter, by delivery or by writing of any kind, for the purposes hereof, pledged, assigned, or transferred by the railroad company or by any one in its behalf to the trustee, which is hereby authorized to receive any property at any and all times as and for additional security, and also, when and as hereinafter provided, as substituted security, for the payment of bonds issued or to be issued hereunder, and to hold and apply any and all such property subject to the terms hereof.

Seventh. All estates, lands, properties, rights, privileges, and franchises, real, personal, or mixed, hereafter acquired by the railroad company, as appurtenant or incidental to, or in replacement of, or in exchange or substitution for any of the mortgaged premises above described.

270 To have and to hold the premises, properties, real or personal, rights, franchises, estates, appurtenances, and stocks hereby granted, conveyed, and assigned, or mentioned or intended to be granted, conveyed, or assigned by the railroad company, with the appurtenances, unto the trustee, its successor or successors and assigns forever, but upon the trusts hereinafter declared:

Subject, as to certain portions of the property hereby mortgaged, conveyed, and pledged, to the mortgages of the railroad company recited in sec. 5 of article two hereof, so far as such mortgages respectively cover such property.

But as to all property hereby or hereunder conveyed or pledged in trust, nevertheless, for the equal and proportionate benefit and

security of all present and future holders of the bonds and interest obligations issued and to be issued under and secured by this indenture, and for the enforcement of the payment of said bonds and interest obligations, when payable, and the performance of, and compliance with, the covenants and conditions of this indenture; without preference, priority, or distinction as to lien or otherwise of any one bond over any other bond by reason of priority in the issue or date or negotiation thereof, so that each and every bond, issued and to be issued as aforesaid, shall have the same right, lien, and privilege under and by this indenture, and so that the principal and interest of every such bond shall, subject to the terms hereof, be equally and proportionately secured hereby, as if all had been made, dated, executed, delivered, and negotiated simultaneously with the execution and delivery of this indenture; it being intended that the lien and security of this indenture shall take effect from the day of the date hereof without regard to the date of actual issue, sale, or disposition of said bonds as though upon such day all of said bonds were actually issued, sold, and delivered to, and in the hands of, innocent holders for value.

271 The conditions, uses, and trusts upon which the said premises and property are to be held by the trustee shall be as follows, to wit:

*Article one.*

Section 1. All bonds to be secured hereby shall, from time to time, be executed and delivered by the railroad company to the trustee for certification, and thereupon the trustee shall certify and deliver the same as provided in this article, and not otherwise. The aggregate amount of bonds issued and outstanding under this indenture at any one time shall never exceed the principal sum of $150,000,000.

Only such bonds as shall bear thereon endorsed the trustee's certificate by it duly executed shall be secured by this indenture, and every such certificate of the trustee upon any bond executed in the behalf of the railroad company shall be conclusive evidence that the bond so certified is one of the series of general consolidated mortgage gold bonds executed by the railroad company under this mortgage.

Before certifying or delivering any coupon bond hereby secured, the trustee shall cut off and cancel all coupons thereof then matured; and the trustee shall not certify or deliver any registered bond bearing interest from any date six months or more prior to such certification or delivery.

Prior to any issue or issues of bonds intended to be secured hereby and until such issues, after being duly authorized, can be engraved and printed from engraved plates, the railroad company may execute and deliver printed bonds, registered, or negotiable by delivery, and substantially of the tenor of the bonds proposed to be issued hereunder, except that no coupons shall be attached to any of said

bonds, and the same may be for the payment of one thousand
272 dollars or any multiple thereof, as the railroad company may determine. All such printed bonds shall have stamped or printed upon their face, "Temporary bond, exchangeable for engraved coupon or registered bonds," and shall after execution be duly certified by the trustee of this mortgage in the same manner as the bonds hereinbefore described, and such certificate shall be conclusive evidence that each of such bonds bearing such certificate is one of the temporary bonds executed by the railroad company hereunder. Such printed bonds, duly issued and certified hereunder, shall be exchangeable for engraved bonds, to be issued hereunder, and upon any such exchange such printed bonds shall forthwith be cancelled by the trustee. Until so exchanged such printed bonds shall in all respects be entitled to the lien and security of these presents as bonds issued and certified hereunder, and interest, when and as payble, shall be paid thereon.

Sec. 2. Of the bonds authorized to be issued under and secured by this indenture:

(a) Immediately upon the execution and delivery hereof, or as and when requested thereafter by the railroad company, bonds to the amount of ten million dollars ($10,000,000), shall be certified by the trustee and delivered to the railroad company.

(b) Bonds to the amount of ten million dollars ($10,000,000) additional shall, as and when requested by the railroad company, be certified by the trustee and delivered to the railroad company on account of capital advances heretofore made by it in the payment of the annual installments due on the following securities of
273 the railroad company, and to provide funds for further payments thereon, or on similar securities hereafter issued:

| | Total issue. |
|---|---|
| Car trust series A, due Feb. 1, 1906 | $1,000,000 |
| " " " B, " Aug. 1, 1906 | 500,000 |
| " " " C, " June 1, 1909 | 2,000,000 |
| " " " D, " Mar. 1, 1910 | 3,000,000 |
| " " " E, " Feb. 1, 1909 | 650,000 |
| " " " F, " May 1, 1909 | 500,000 |
| " " " G, " Aug. 1, 1910 | 800,000 |
| Connell stock purchase bonds, due Mar. 1, 1906 | $600,000 |
| Seneca stock " " " June 1, 1907 | 665,000 |
| Righter " " " Apl. 1, 1908 | 270,000 |

(c) Ninety-six million dollars ($96,000,000) of said bonds shall be reserved to be used and applied for the redemption, purchase, exchange, acquisition, or payment at or before maturity of the following existing and outstanding obligations, constituting liens on property of the railroad company and on property of corporations named in I and II of subdivision third of the granting clauses hereof. Such

reserved bonds shall be called for by resolution of the board of directors of the railroad company when and as required for the purposes aforesaid and in the amounts required and stated in such resolution, and the trustee shall on the receipt of a copy of such resolution, certified by the secretary or assistant secretary of the railroad company, certify and deliver to the railroad company so many of said reserved bonds as shall at par equal the amount required for the redemption, purchase, exchange, acquisition, or payment by the railroad company of said obligations if the price at which said obligations shall be redeemed, purchased, exchanged, acquired, or paid shall in the discretion of the trustee be approved by it; but if such price shall be higher than the trustee shall approve, then the trustee shall, on the railroad company furnishing the additional funds
274 required, certify and deliver to the railroad company so many only of said reserved bonds as shall equal in amount at par the price which the trustee shall in its discretion approve paying for the bonds so redeemed, purchased, exchanged, acquired, or paid. Said reserved bonds shall be used and applied only for the purposes aforesaid until all of said obligations shall have been redeemed, purchased, exchanged, acquired, or paid, after which, if any of said reserved bonds shall remain, they may be issued, used, and applied for such purposes as the board of directors of the railroad company shall decide, and shall, either at one time or from time to time, be certified by the trustee and delivered to the railroad company on receipt of a copy, duly certified by the secretary or assistant secretary, of a resolution of said board calling for such issue and delivery. If any of said obligations shall be paid or acquired with funds provided by the railroad company from sources other than said reserved bonds the trustee shall, as in the foregoing case, if duly requested, as aforesaid by resolution of the board of directors of the railroad company, certify and deliver to the railroad company so many of said reserved bonds as shall at par equal the amount paid by the railroad company for said obligations, if the price paid shall be approved by the trustee, but if the price shall be higher than the trustee shall approve, then the trustee shall certify and deliver to the railroad company so many only of said reserved bonds as shall equal in amount at par the price which the trustee shall in its discretion approve paying for the bonds so redeemed, purchased, exchanged, acquired, or paid. Upon the payment or acquisition, either at their maturity or from time to time prior thereto, of the whole or any part of the several issues of said obligations, by means of said reserved bonds or any part thereof, or by funds advanced by the railroad company and subsequently reimbursed to the railroad company by delivery of said reserved bonds, such obligations shall be delivered to the trustee and cancelled, it being the intent that this mortgage securing the bonds issued hereunder shall ultimately become the first lien on the property of the railroad company, and that the liens, stated in the following table,

on the properties of the companies whose stocks are pledged hereunder, shall be provided for by the bonds issued hereunder:

| 275 | Date. | Date of maturity. | Rate of interest. | Bonds outstanding at date of this indenture. |
|---|---|---|---|---|
| LEHIGH VALLEY R. R. CO. | | | | |
| First mortgage | May 15, 1868 | June 1, 1948, as extended. | 4 % | $5,000,000 |
| Second mortgage | June 29, 1870 | Sept. 1, 1910 | 7 % | 6,000,000 |
| Con. mortgage | Nov. 15, 1873 | Dec. 1, 1923 | 6 % | 5,638,000 |
| " " | " " " | " " " | 4½% | 4,762,000 |
| " " (ann. bonds) | " " " | Perpetual | 6 % | 10,062,000 |
| " " " " | " " " | " | 4½% | 2,538,000 |
| Collateral trust mtge | May 1, 1897 | May 1, 1997 | 5 % | 9,568,000 |
| National Storage Trust certificates | Dec. 8, 1899 | Dec. 8, 1901-9 | 4 % | 5,000,000 |
| LEHIGH VALLEY RAIL WAY COMPANY. | | | | |
| First mortgage | June 23, 1890 | July 1, 1940 | 4½% | 15,000,000 |
| LEHIGH VALLEY TERMINAL RAILWAY COMPANY. | | | | |
| First mortgage | Oct. 1, 1891 | Oct. 1, 1941 | 5 % | 10,000,000 |
| EASTON & AMBOY R. R. COMPANY. | | | | |
| First mortgage | Apr. 13, 1880 | May 1, 1920 | 5 % | 6,000,000 |
| PENN. & NEW YORK CANAL & RAILROAD CO. | | | | |
| First mortgage | June 1, 1866 | June 1, 1906 | 7 % | 1,500,000 |
| Con. mortgage | Nov. 13, 1888 | Apr. 1, 1939 | 5 % | 4,000,000 |
| " " | " " " | " " " | 4½% | 1,500,000 |
| " " | " " " | " " " | 4 % | 3,000,000 |
| ELMIRA, CORTLAND & NORTHERN RAILROAD CO. | | | | |
| First mtge. (pref. bonds) | Apr. 1, 1884 | Apr. 1, 1914 | 6 % | 750,000 |
| First mtge | " " " | " " " | 5 % | 1,250,000 |
| CANASTOTA NORTHERN R. R. CO. | | | | |
| First mortgage | July 1, 1886 | July 1, 1906 | 6 % | 300,000 |
| MIDDLESEX VALLEY R. R. COMPANY. | | | | |
| First mortgage | Aug. 26, 1892 | Nov. 1, 1942 | 5 % | 211,000 |
| EASTON & NORTHERN R. R. COMPANY. | | | | |
| First mortgage | Oct. 7, 1895 | Nov. 1, 1935 | 4½% | 51,000 |
| LEHIGH VALLEY COAL COMPANY. | | | | |
| Five-ten year coal pledge bonds | Nov. 21, 1902 | Dec. 1, 1907-12 | 5 % | 2,000,000 |
| | | | | 94,130,000 |

276 Sec. 3. The remainder of the authorized issue hereunder, amounting to $34,000,000 of said bonds, shall be reserved, to be executed, and to be certified by the trustee, not immediately, but only when and as called for by resolution of the board of directors of the railroad company as next hereinafter provided, for the following purposes, or some one or more of them, viz:

(a) For the construction or acquisition, on and after January 1st, 1905, of railway lines, extensions, terminal properties, or rolling stock; or for the construction or acquisition on and after that date of other property, real or personal; or for the construction of betterments, improvements, or enlargements on and after that date; all

such construction, betterments, improvements, or enlargements, or property acquired, to be upon, along, or appurtenant to the properties of the railroad company at the time subject to the lien of this indenture, or to be useful to the business of the railroad company, or upon, along, or appurtenant to properties of, or useful to the business of, some one or more of the companies mentioned in subdivision third of the granting clauses hereof whose stock is at the time pledged hereunder, or of some other company of whose capital stock no part is now pledged hereunder, but of whose capital stock more than one-half, at the time of such use, shall be pledged hereunder, it being intended that such lines, extensions, terminal properties, betterments, improvements, and enlargements, or other property may be constructed or acquired by and in the name of the railroad company or by or in the name of or for account of any such other company; or for the acquisition on and after January 1st, 1905, of shares, bonds, or other obligations of any company owning any line, extension, terminal property, lands, coal estates, rolling stock, floating equipment, or other property the acquisition of which would,
277 in the judgment of the board of directors of the railroad company, render the holding of such stock, bonds, or obligations useful or advantageous to the railroad company.

(b) For the acquisition of bonds of The Lehigh Valley Coal Company that may be issued under the provisions of sec. 12 of article two hereof, provided that in every case of any such acquisition the aggregate par value of such bonds so acquired shall be at least equal to the aggregate par value of the bonds hereby secured used for such acquisition.

(c) To reimburse the railroad company for outlays or advances by it made for or to promote any construction or acquisition made pursuant to (a) or (b) hereof on or subsequent to January 1st, 1905, or made theretofore since January 1st, 1900, and not previously reimbursed to the railroad company by the issuance to it of bonds under its collateral trust mortgage dated May 1st, 1897.

The bonds reserved under this section shall by the trustee be certified and delivered to the railroad company or upon its order as follows, and not otherwise, viz:

(1) Such bonds shall be certified and delivered by the trustee from time to time only as and when it shall receive a copy of the resolution of the board of directors of the railroad company, certified by its secretary or assistant secretary, calling for the certification and delivery of such bonds and stating that such bonds or their proceeds will be used only for purposes authorized by this section.

(2) On January 1st, 1906, or on any day thereafter (prior to December 31st, 1906), bonds to such amount as shall be called for in such resolution shall be so certified and delivered, but not exceeding in the aggregate $2,000,000 par value, unless a larger issue shall be especially authorized as provided in (5) of this section.

278 (3) In each calendar year after December 31st, 1906, there shall be so certified and delivered such additional amount of

such bonds, not exceeding $2,000,000 par value in any calendar year, except to supply deficiencies and unless a larger issue shall be especially authorized, as provided in (5) of this section, as from time to time shall be called for in similar resolutions; but in every instance before certifying and delivering any of the bonds reserved under this section (except the $2,000,000 deliverable in the year 1906) the trustee shall require the railroad company to furnish, in addition to such resolutions of its board of directors, the verified certificate or certificates of some person or persons, stating as of his or their own knowledge:

(a) That the bonds last certified and delivered under this section, or the proceeds of all such bonds, have been used for such purposes, or for some one or more of them, or to reimburse the railroad company as above provided, specifically indicating every such acquisition or construction of any railroad, structure, betterment, rolling stock, or other property, and every such acquisition of bonds of The Lehigh Valley Coal Company and every such acquisition of stock, bonds, or other obligations of any other company owning any railroad or other property, and also stating in detail the amount of bonds or proceeds of bonds used or expended for each and every such purpose, and whether such acquisition was by or in the name of the railroad company or by or for account of any other company as herein authorized; and also that no acquisition, construction, or expenditure stated in such certificate was stated in any previous certificate.

(b) That the price paid in such bonds or their proceeds for any such construction or acquisition (other than for bonds of The Lehigh Valley Coal Company, as aforesaid) was not in excess of the fair value of the work done or property acquired.

279 (4) Every such verified certificate, unless signed (1) by the president, or by a vice president, and (2) by the comptroller, or auditor, or treasurer of the railroad company, shall be accompanied by a written statement of one of the officers first above designated and one of the officers secondly above designated of the railroad company that they believe such certificate to be true, and that such bonds have not been used and the expenditures therein certified have not been made for ordinary maintenance of the property owned, leased, or in any way controlled by the railroad company, or for replacements or other purposes ordinarily treated by similar companies, or companies owning similar properties, as a part of their operating expenses. Together with such statements and verified certificates, there shall be delivered to the trustee all bonds and certificates for all shares of stock so acquired, and such further instruments and conveyances as may be necessary to vest in the trustee all new property so acquired, so far as the same shall have been acquired by or for the railroad company, and so far as practicable, any and all other liens, charges, or indebtedness taken up or acquired with the said bonds or their proceeds; and also the written opinion of counsel of the railroad company to the effect that such instruments and conveyances are sufficient for that purpose, or that no instrument

or conveyance is necessary. The certificates for all shares of stock so acquired shall be duly transferred into the name of the trustee, and shall be classified under either I or II of subdivision third of the granting clauses hereof, as shall, with the approval of the trustee, be designated by the railroad company. Such resolutions, statements, instruments, and conveyances, verified certificates and opinion (together with the pledge with the trustee of all bonds and certificates for all shares of stock so acquired) shall be deemed and taken as plenary authority to the said trustee for its certification of such bonds under the foregoing provisions of this article.

280 (5) Except to supply deficiencies as next hereinafter provided, there shall not be issued or certified under this section in any one calendar year any of said $34,000,000 bonds in excess of an aggregate amount of $2,000,000; provided, however, that if a larger amount than $2,000,000 should in the opinion of the board of directors of the railroad company be required in any year or years for some of the purposes for which the said $2,000,000 in bonds may annually be issued as above provided, then and in that case if the stockholders of the railroad company shall at any annual meeting, or at any special meeting called for the purpose, approve by a vote of a majority in interest of the stock represented in person or by proxy at such meeting, the issue of additional bonds under this section, then any amounts so approved by the stockholders in excess of $2,000,000 may be issued in such year or years, and on demand of the railroad company shall be certified and delivered by the trustee to the railroad company, or upon its order.

If in any calendar year after January 1, 1906, the trustee shall not have certified and delivered to the railroad company or upon its order two million dollars ($2,000,000) of bonds authorized by (2) and (3) of this section to be certified and delivered for such calendar year, or any additional amount or amounts approved as aforesaid by the stockholders, the right of the railroad company to require certification and delivery of any such residue of such $2,000,000 bonds and of any additional amount or amounts so approved which may not have been actually certified and delivered in such calendar year, shall not lapse nor be extinguished, but such residue of such bonds not so certified and delivered in any calendar year shall be certified and delivered by the trustee to the railroad company or upon its order from time to time in any subsequent year or years upon the resolution of the board of directors of the railroad company, as hereinbefore provided, accompanied by the statements, veri-

281 fied certificates, and opinion hereinbefore prescribed, notwithstanding the fact that under the provisions of this section and to the extent herein authorized there shall thereby be certified and delivered by the trustee in such year or years more than $2,000,000 bonds.

(6) The $150,000,000 of bonds to be issued hereunder may be issued in such denominations, at such rate of interest not exceeding

five per cent per annum, and in such form consistent with the terms of this indenture, as the board of directors of the railroad company shall prescribe at the time or times of such issue; and any bonds which may have been part or all of said entire $150,000,000 of bonds issued under this mortgage may at any time be extended at a less rate of interest than that named therein, or the interest on any bond hereby secured may at any time and from time to time be reduced with the consent of the then holder of such particular bond.

Sec. 4. Whenever any coupon bond or bonds issued hereunder, together with all unmatured coupons thereto belonging, shall be surrendered for exchange for a registered bond or for registered bonds, as the case may be, the railroad company shall issue, and the trustee shall certify and deliver, in exchange for such coupon bond, a registered bond without coupons; or if there be more than one coupon bond so surrendered, then a like amount of registered bonds without coupons, of the same or of other denominations, as herein authorized. Such registered bond or bonds shall bear interest at the same rate as the surrendered coupon bond or bonds, and from the date of the last matured coupon thereof. In every case of such exchange the trustee forthwith shall cancel the surrendered bond or bonds and coupons and shall deliver the same to the railroad company.

Whenever any registered bond or bonds issued hereunder shall be surrendered for transfer the railroad company shall issue, and the trustee shall certify and deliver, upon surrender and cancella-
282 tion of the bond or bonds transferred, a like amount of new registered bonds of the same or of other denominations as herein authorized, but no registered bond may be converted into a coupon bond.

The board of directors of the railroad company may at the time of issue (or of any reissue as hereinafter provided) of any bonds hereunder order that such bonds shall, at the election of the holder, be convertible at any half-yearly interest period into common stock of the railroad company at par; provided, that notice in writing of such election on the part of such holder, specifying the numbers of the bonds to be converted, shall have been given to the railroad company at its office or agency in the city of Philadelphia, or in the city of New York, at least thirty days prior to the half-yearly interest day on which such conversion is desired (which shall be the half-yearly interest day next ensuing the giving of such notice). Upon surrender of any such bond or bonds to the railroad company at any interest period, after notice as aforesaid, interest thereon shall cease, and the railroad company shall deliver such bond or bonds duly cancelled to the trustee and shall issue to the holder in exchange therefor so many shares of the capital stock of the railroad company, at par value thereof, as shall equal the par value of the bond or bonds so surrendered. Any bonds surrendered as aforesaid for conversion into stock may be reissued, but only for the purposes stated in (a), (b), and (c) of sec. 3 of this article, and such reissue may be made as often as such conversion of bonds into stock shall have been

made and in such amounts as said board of directors shall from time to time order; and the bonds so reissued shall be of such denomination, at such rate of interest and in such form as said board shall at the time of reissue order; provided, that the total amount of bonds issued or reissued and outstanding under this mortgage, containing the said provisions for conversion into capital stock, shall not
283 at any time exceed $25,000,000. Such bonds shall, on demand made by the railroad company on the trustee, be certified and delivered to the railroad company by the trustee from time to time, in such amounts as the railroad company shall demand, but only on receipt by the trustee from the railroad company of a copy of a resolution of the board of directors of the railroad company, certified by its secretary or assistant secretary, calling for the certification and delivery of such bonds and stating that such bonds, or their proceeds, will be used only for the purposes stated in (a), (b), or (c) of sec. 3 of this article, with also (except in respect to the first lot of such bonds so reissued) verified certificates showing the uses to which the previous reissue of bonds, or their proceeds, have been applied, with also any necessary instruments and conveyances and opinion of counsel, such certificates, resolutions, statements, instruments, conveyances, and opinions to be similar to those provided for in (a) and (b) of (3) and in (4) of sec. 3 of this article. In case of reissue the trustee shall certify any new bonds issued in place of any bonds or other form or denominations so surrendered; provided, always that the total outstanding bonds under this mortgage shall in no case and at no time exceed $150,000,000.

For any exchange of coupon bonds for registered bonds, or of bonds for stock, and for any transfer of registered bonds without coupons, the railroad company, at its option, may make a charge not exceeding fifty cents for each new registered bond issued in exchange for any surrendered bond or bonds; but no charge shall be made for registration of the principal of coupon bonds.

In case any coupon bond issued hereunder, with the coupons thereto appertaining, or any registered bond without coupons, shall become mutilated or be destroyed, the railroad company, in its discretion, may issue, and the trustee thereupon may certify and deliver, a new bond of like tenor and date bearing the same serial number, in
284 exchange and substitution for and upon cancellation of the mutilated coupon bond and its coupons, or of the registered bond, or in lieu of and substitution for the coupon bond and its coupons or the registered bond so destroyed, upon receipt by the railroad company of satisfactory evidence of the destruction of such coupon bond and its coupons, or of such registered bond, and upon receipt also of satisfactory indemnity.

Sec. 5. Nothing in this article or in any other article of this indenture expressed or implied, is intended, or shall be construed, to confer upon any person or corporation, other than the parties hereto and the holders of bonds secured by this indenture, any legal or equitable right, remedy, or claim under or in respect of this inden-

ture, or any covenant, condition, or stipulation thereof; all its covenants, conditions, and stipulations being intended to be, and being for the sole and exclusive benefit of the parties hereto and of the holders of bonds hereby secured.

*Article two.*

The railroad company covenants as follows:

Sec. 1. It will well, duly, and punctually pay or cause to be paid to every holder of any bond issued and secured hereunder the principal and interest accruing thereon, at the dates and place and in the manner mentioned in such bonds, and in the coupons thereto belonging, according to the true intent and meaning thereof, without deduction from either principal or interest for any tax or taxes imposed by the United States or any State, county, or municipality therein which the railroad company may be required to pay, or to retain therefrom, under or by reason of any present or future law. When and as paid all coupons shall forthwith be canceled.

Sec. 2. All lines of railway and all property of every kind
285 and all interest therein, when and as and to the extent hereafter acquired by the railroad company as above provided, out of bonds, or the proceeds of bonds, issued pursuant to the provisions of (a) or (b) of sec. 2 or of sec. 3 or of sec. 4 of article one hereof immediately upon and subject to the terms and conditions of such acquisition, and without any further conveyance or assignment, shall become and be subject to the lien of this indenture as fully and completely as though now owned by the railroad company and expressly and specifically conveyed by and embraced in the several granting clauses of this indenture; but at any and all times the railroad company will execute and deliver any and all such further assurances or conveyances thereof as the trustee may reasonably direct or require for the purpose of expressly and specifically subjecting the same to the lien of this indenture.

Immediately upon payment of the bonds of the railroad company secured by its collateral trust mortgage dated May 1st, 1897, and upon the transfer and delivery to the railroad company by the trustee under said collateral trust mortgage of such stocks pledged under said mortgage as are also pledged hereunder, such stocks shall be transferred and delivered to and held by the trustee under this indenture; and similarly, immediately upon the payment of the certificates issued by the Central Trust Company of New York under agreement dated December 8th, 1899, between said trust company and the railroad company and upon the transfer and delivery to the railroad company by the said Central Trust Company, trustee, of the stocks pledged under said agreement, which stocks are also pledged hereunder, said stocks shall be transferred and delivered to and held by the trustee under this indenture.

Sec. 3. Whenever demanded by the trustee, the railroad company will grant, convey, confirm, assign, transfer, and set over unto the

trustee all real and personal estate, corporate rights, and franchises which in any way or manner it shall acquire (out of such
286 bonds or the proceeds of bonds issued, as aforesaid, pursuant to the provisions of (a) or (b) of sec. 2 or of sec. 3 or of sec. 4 of article one hereof) as incidental or appurtenant to or for use upon any property mortgaged hereunder, and will also do, execute, acknowledge, and deliver, and cause to be done, executed, acknowledged, and delivered all and every such further acts, deeds, conveyances and transfers, and assurances in the law for better assuring, conveying, and confirming unto the trustee all and singular the hereditaments and premises, estates, and property hereby conveyed, or intended so to be, or which it has herein covenanted and agreed hereafter to convey to the trustee as the trustee shall reasonably require for better accomplishing the provisions and purposes of this indenture and for securing payment of the principal and interest of the bonds intended to be hereby secured.

But nothing expressed or implied in this indenture is intended or shall be construed to limit the right or power of the railroad company, hereby expressly reserved, by the use of its credit or in any manner except by the use of bonds issued hereunder or funds received pursuant to any provision hereof, to construct or to acquire property of any kind, or interest therein, free from the lien hereof.

Sec. 4. The railroad company will, at an office or agency to be maintained by it in the city of Philadelphia, keep a sufficient register or registers of bonds issued hereunder, which registers at all reasonable times shall be open to the inspection of the trustee; and, upon presentation for such purpose, it will, under such reasonable regulations as it may prescribe, register therein any coupon bonds and any bonds without coupons issued under the provisions hereof.

Upon presentation of any such registered coupon bond by the holder thereof in person or upon its presentation with an instrument in writing authorizing the transfer of the same, executed by the registered holder, such bond shall be transferred upon such
287 register, and thereafter the transferee or transferees of such bond upon such register shall be held to be the owner or owners thereof, and from time to time such transfers may be made as shall be so directed by the registered holder of any such bond for the time being. The registered holder of any such registered coupon bond shall have the right also to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored, and thereafter the principal thereof shall be payable to any person presenting the same.

Any holder of a coupon bond registered to bearer may cause such bond to be registered in the name of such holder with the same effect as a first registration thereof; and successive registrations and transfers to bearer as aforesaid may be made from time to time as desired; and such registration shall by the bond registrar be noted on the bond.

Any registered bond without coupons may be transferred by the registered holder in person, or by instrument in writing executed by the registered holder, upon surrender of the bond, in which case a like amount of new registered bonds will be issued to the transferee as provided in sec. 4 of article one hereof, on payment of the charge provided for in said section.

As to all bonds so registered, the person in whose name the same shall be registered shall for all purposes of this indenture be deemed and regarded as the owner thereof, and thereafter payment of or on account of the principal of such bond, if it be a coupon bond, and of the principal and interest, if it be a registered bond without coupons, shall be made only to such registered holder or upon his order; but such registration may be changed as hereinbefore provided. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid.

No registration of any coupon bond shall restrain the negotiability of any coupon thereto belonging, but every such coupon shall continue to pass by delivery merely.

288 Sec. 5. Until such bonds shall be paid and discharged the railroad company will duly, punctually, and regularly pay or cause to be paid as from time to time the same shall accrue the interest on its following bonds outstanding at the date of this indenture:

| | | | |
|---|---|---|---|
| First mortgage | 4% | bonds due 1948 | $85,000,000 |
| Second mortgage | 7% | " " 1910 | 6,000,000 |
| Consolidated mortgage | 6% | " " 1923 | 5,638,000 |
| do | 6% | annuity bonds | 10,062,000 |
| do | 4½% | bonds due 1923 | 4,762,000 |
| do | 4½% | annuity bonds | 2,538,000 |
| Collateral trust mortgage | 5% | bonds due 1907 | 9,568,000 |
| Equipment trust bonds | | | 5,547,000 |
| Connell stock purchase | 4% | bonds | 300,000 |
| Seneca " | " | " " | 400,000 |
| Righter " | " | " " | 225,000 |
| National storage | | " certificates | 5,000,000 |
| | | | $55,040,000 |

and in the meantime it will observe, or will cause to be observed, all the covenants, terms, and conditions undertaken by or imposed upon said railroad company in or by any such bonds or the several respective mortgages securing the same, and in all cases it will duly and punctually pay the principal of such bonds at the several dates of the maturity thereof as now fixed or as from time to time hereafter extended as in this section permitted. But nothing in this article or in any other article of this indenture is intended, or shall be construed, to require the railroad company, not then being otherwise in default hereunder, to pay the principal of any such outstanding bond during any period for which the same shall have been

extended or renewed as next hereinafter permitted, the right being hereby expressly reserved by the railroad company, in the discretion of its board of directors, from time to time, with the consent
289 of the holders thereof, to extend the time for the payment of the principal of any said outstanding bonds for any period not exceeding two years, if at the date of maturity thereof it shall not in the opinion of the board be advisable to arrange for the refunding or payment thereof through and by the bonds reserved hereunder for the purpose, reserving in case of such extension the right, on sixty days' notice, published once a week in one newspaper published in the city of Philadelphia and in one newspaper published in the city of New York, to call in and pay off the same at any interest period through and by means of the bonds so reserved hereunder, provided that the aggregate principal sum or the rate of interest of such outstanding bonds shall not be increased, though the principal and interest of all such extended bonds may be made expressly payable in gold coin of the United States of the standards of weight and of fineness at the time of the extension thereof.

Sec. 6. The railroad company will not (except as above provided) voluntarily create or suffer to be created any new lien or charge upon the mortgaged premises of the railroad company or any part thereof, or upon the income thereof, having priority to the lien of this indenture and will not after the execution of this mortgage issue any bonds theretofore unissued under any of its mortgages prior to this indenture; provided, however, that bonds reserved under the terms of said prior mortgages for the purpose of providing for prior liens may be issued unless due provision can be made, as set forth in (c) of sec. 2 of article one hereof, for the redemption, purchase, exchange, acquisition, or payment by bonds issued hereunder of such prior liens; and provided that the $1,668,000 of bonds under its collateral trust mortgage which have been issued to the railroad company and are now in its treasury (and are included in the $9,568,000 stated in sec. 5 of this article), and represent disbursements
290 heretofore made on the property of the company, may be issued from its treasury and sold or disposed of by it. And the railroad company will not at any time sanction or permit the issue, by any company whose stock at the time shall be pledged hereunder, of any bonds reserved under mortgages of said companies, respectively, for the purpose of providing for the payment of prior liens if due provision can be made, as set forth in (c) of sec. 2 of article one hereof, for such prior liens; and will immediately, on the payment of its outstanding $5,000,000 of National Storage Company trust certificates, secured by agreement dated December 8, 1899, and on the release and delivery to it of the $2,000,000 of its collateral trust mortgage bonds pledged under said agreement, cause the said pledged bonds to be cancelled. And, within six months after the same shall accrue, the railroad company will from time to time pay all lawful claims and demands of mechanics, laborers, and others

which if unpaid might by law be given priority to this indenture as a lien or charge upon the mortgaged premises, or any part thereof, or the income thereof; and if any company of whose capital stock the greater part now is or hereafter shall be pledged hereunder shall create or suffer to be created any lien or charge upon its property or income, or shall create or suffer to be created any indebtedness, other than (1) mortgage indebtedness as hereinafter permitted, (2) indebtedness of the coal company as hereinafter permitted, (3) indebtedness to the railroad company, or (4) indebtedness for the current operating expenses of such company during a period not exceeding six months, then it, the railroad company, will pay and discharge the same or will acquire the same and transfer the same to the trustee for the benefit of this mortgage.

Sec. 7. The railroad company from time to time will pay and discharge all taxes, assessments, and governmental charges lawfully imposed upon the premises hereby mortgaged, or upon any
291 part thereof, or upon the income and profits thereof, the lien of which would be prior to the lien hereof, so that the priority of this indenture shall be fully preserved in respect of such properties; and if any company of whose capital stock the greater part now is or hereafter shall be pledged hereunder shall, at any time during the continuance of any such pledge, fail to pay all such taxes, assessments, and charges lawfully imposed upon the property of such company or upon the income and profits thereof, then it, the railroad company, will itself pay and discharge the same, provided that the covenants of this section shall not require the railroad company to pay any tax, assessment, or charge so long as the validity thereof is in good faith contested.

Sec. 8. The railroad company from time to time and at all times during the continuance of this indenture, and until the payment of all bonds issued hereunder, will maintain the mortgaged premises and each and every part thereof, and will replace the same and all parts thereof lost, destroyed, or used up so far as the same may be needed. The mining and selling of coal by any coal company, the stock of which is owned or controlled by the railroad company, without replacement, reservation of royalty, or provision for sinking fund, shall not be construed as a violation of this covenant.

Sec. 9. The railroad company will exercise the voting power on all stocks pledged hereunder in such manner that it shall retain in itself the rights and powers of the holder of the greater part of the capital stock of such company; and as such holder of stock of any company above mentioned in I and II of subdivision third of the granting clauses hereof, or of stock of any other company whose stock the greater part shall at such time be pledged hereunder, the railroad company will not, by affirmative vote, or by abstaining from voting, sanction or permit any increase of the capital stock of any
292 such company or the creation of any so-called "floating" indebtedness of any such company (except current operating

accounts for a period not at any date exceeding six months prior thereto), or (except in respect of The Lehigh Valley Coal Company as hereinafter permitted) the issue or guaranty of any bonds by any such company, or the creation of any mortgage or other lien upon the railroad or property of any such company (except bonds or mortgages or other liens in extension or replacement of those now existing), unless effective provision be made that all such additional stock (or such part of such additional stock as shall be proportionate to the part of such entire capital stock previously pledged hereunder), and (except as hereinafter provided in respect of The Lehigh Valley Coal Company) that any such indebtedness and the evidences thereof, and any such bonds issued or guaranteed, and any such mortgage or other lien, immediately upon the issue of such stock, or creation of such indebtedness, shall be delivered to and pledged with the trustee, by it to be held subject to all the trusts of this indenture, with the same effect as if such stock, indebtedness, bonds, mortgage, or other lien had been delivered and pledged to it hereunder at the time of the making hereof; and all such additional stock shall be fully paid and nonassessable. But nothing in this article or in any other article of this indenture is intended, or shall be construed, to require the railroad company to so deliver and pledge any bonds or obligations of such companies heretofore issued. And the right is hereby expressly reserved by the railroad company, in the discretion of its board of directors, from time to time, to take all necessary steps to procure the extension, for a period not exceeding two years, of the time for the payment of the principal of such of the existing bonds of such companies, for the payment of which provision has been made by (c) of sec. 2 of article one hereof, if at the date of maturity thereof it shall not be advisable in the opinion of the said board to arrange for the redemption, purchase, exchange, ac-
293 quisition or payment thereof through and by the bonds reserved hereunder for the purpose, reserving in case of such extension the right on sixty days' notice, published once a week in one newspaper published in the city of Philadelphia, and in one newspaper published in the city of New York, to call in and pay off the same at any interest period through and by means of the bonds reserved hereunder, but in such extension the aggregate principal sum or the rate of interest now charged on such property by such existing liens shall not be increased, though the principal and interest of all such extended bonds may be made expressly payable in gold coin of the United States of the standards of weight and of fineness at the time of such extension.

Sec. 10. The railroad company will not by affirmative vote or by abstaining from voting permit any railroad company of whose capital stock the greater part shall at the time be pledged hereunder, under I of subdivision third of the granting clauses hereof, to sell or dispose of its railroad, except to some company of whose capital stock there shall then be held or received by the railroad company and

pledged or assigned to the trustee hereunder an amount not proportionately less than the amount then held hereunder of the capital stock of the company whose railroad shall be so sold; provided that any parts of such railroad not required for the proper exercise of the public franchises of such company may be sold or disposed of with the approval of the trustee. The railroad company may, however, permit any railroad company of whose capital stock the greater part shall at the time be pledged hereunder, under II of subdivision third of the granting clauses hereof, to sell or dispose of its railroad, or any part thereof, to any company or other party, or to exchange its railroad or any part thereof for property of such other company or party, if in the opinion of the trustee such sale shall not be prejudicial to the security of the bonds issued and secured hereunder.

294 In case of any sale as aforesaid the proceeds of such sale shall be applied as provided by any mortgage then existing on such property, and if not so subject, then so far as may be practicable, as provided under sec. 2 of article six hereof in respect to other property sold or disposed of.

Sec. 11. The railroad company will not issue, negotiate, sell, or dispose of any bonds hereby secured in any manner other than in accordance with the provisions of this indenture and the agreements in that behalf herein contained; and in issuing, selling, negotiating, or otherwise disposing of such bonds from time to time it will well and truly apply, or cause to be applied, the same, or the proceeds thereof, to and for purposes herein prescribed, and to and for no other or different purpose.

Sec. 12. It is expressly understood, anything in this indenture to the contrary notwithstanding, that The Lehigh Valley Coal Company may from time to time borrow money and may secure the repayment thereof by a pledge or hypothecation of coal when actually mined, or the representatives or proceeds of coal when actually mined, it being further understood, however, that the amount of money so borrowed shall never exceed the fair market value of coal so actually mined and the coal accounts, bills receivable, notes, and other representatives and proceeds of such coal then held by the coal company, and may execute and issue bonds, to be secured by mortgage upon its property, to provide for the improvement of its property and for the acquisition of new coal properties, all such mortgages to contain proper sinking fund provisions, by which the payment of such bonds shall be provided for out of and from the coal to be mined from the property of said company.

Sec. 13. The trustee from time to time, upon written request of the railroad company, signed by the president or any vice presi-

295 dent and under its corporate seal, duly attested by the secretary or assistant secretary, shall give to the railroad company or its nominees suitable proxies to give full effect to the provisions of this article.

*Article three.*

Sec. 1. Unless (a) the railroad company shall be in default in the payment of interest on any bond secured by this indenture, or unless default shall be made in the payment of interest on any bond mentioned in sec. 5 of article two hereof, and such default shall have continued for a period of six months; or unless (b) the railroad company shall be in default in the due and punctual payment of the principal of any bond secured hereby, or of any bond mentioned in sec. 5 of article two hereof; or unless (c) the railroad company shall be in default in the payment of any tax, assessment, or other governmental charge lawfully imposed or levied upon any part of the property and premises hereby mortgaged, or the income and profits thereof, and such default shall have continued for a period of six months after written notice thereof from the trustee or from holders of five per cent in amount of the bonds secured hereby; or unless (d) the railroad company shall be in default in the due performance and observance of any covenant or condition of this indenture and such default shall have continued beyond the period of grace, if any, herein provided for in respect of such default, and the trustee shall have entered or shall have elected to enter into possession under the power of entry hereinafter conferred; or unless (e) the railroad company shall have voluntarily surrendered to the trustee possession of the mortgaged premises as hereinafter authorized, the trustee (unless with the assent of the railroad company) shall not collect or be entitled to collect the interest of any bonds or the principal or interest of other claims or indebtedness hereafter pledged with or assigned to the trustee under this indenture; and (1) the railroad
296 company shall be entitled to receive all interest due and dividends declared in respect of any bonds or stocks transferred to or pledged with the trustee pursuant to any of the provisions of this indenture; and from time to time (subject to the covenants in respect hereof in this section contained), upon the request of the railroad company, the trustee shall deliver to it the coupons for such interest, in order that the railroad company may receive payment thereof for its own use, and shall deliver to the railroad company suitable orders in favor of the railroad company or its nominee for the payment of such dividends and for the payment of such interest on registered bonds; and the railroad company may collect such interest and dividends, but not by any proceeding which the trustee shall deem and declare to be prejudicial to the trusts hereunder; and the trustee shall at once pay over to the railroad company any such interest and dividends which may be collected or received by it; and (2) the railroad company shall be entitled for its own use to demand, receive, and collect, release, and discharge the principal or interest of any such claim against or indebtedness (other than bonds) of any other company assigned to or pledged with the trustee hereunder,

and upon request of the railroad company the trustee shall execute any reassignments or releases which may be required for that purpose.

If any such coupon, or if any evidence of any such claim or indebtedness, delivered to the railroad company as aforesaid, shall not as aforesaid forthwith be paid and cancelled the railroad company shall return the same to the trustee, and in case of the payment of any such coupon, claim, or indebtedness, shall upon demand of the trustee furnish satisfactory evidence of the cancellation and extinguishment thereof.

Provided, however, and it is hereby declared and agreed that, except as herein otherwise expressly provided (1) the railroad company shall not be entitled to receive and the trustee shall not pay over to it any principal of any bond pledged or assigned to the
297 trustee hereunder; (2) the railroad company shall not be entitled to receive, and the trustee shall not pay over, any interest on any such bond or any principal or interest of any such other claim or indebtedness which shall have been collected or paid out of the proceeds of any sale of any property covered by a mortgage securing such bonds, or out of the proceeds of the sale of any other property of the company liable upon such bonds, claims, or indebtedness, it being the intention that the railroad company shall be entitled to receive only payments made out of the rents, revenues, income, or proceeds of operation of such properties; (3) the railroad company shall not sell, assign, or transfer any such coupon or right to dividend delivered or assigned to it, or any other such claim or indebtedness, except subject to this indenture; (4) the railroad company shall not collect any such coupons or other claims or indebtedness by legal proceedings or by enforcement of any security therefor except with the assent of the trustee, nor in any manner which the trustee shall deem prejudicial to the trust hereunder; and (5) until actually paid or discharged every such coupon or right to dividends and other claims and indebtedness shall in all respects remain subject to the lien of this indenture.

Sec. 2. In case any sum shall be paid to the trustee on account of the principal of any bond hereafter pledged with the trustee hereunder, or in case, upon the dissolution or liquidation of any company or out of any sale of the property of any company, any sum shall be paid to the trustee upon any shares of stock of such company held by the trustee hereunder, or upon any claims against or indebtedness of such company, as mentioned in sec. 1 of this article, then in every such case (unless applied as in section 5 of this article provided) such sum shall be received by the trustee and shall be held, used, and applied in the same manner as the proceeds of similar property released under article six hereof.

298 Sec. 3. Unless (1) the railroad company shall be in default, and such default being one mentioned under (a), (b), or (c) of sec. 1 of this article, shall have continued as therein provided, or being one mentioned under (d) in said section, the trustee shall have

entered or shall have elected to enter into possession, or unless (2) the railroad company shall have voluntarily surrendered possession of the mortgaged premises as hereinafter authorized, the railroad company shall have the right to vote upon all shares of stock pledged hereunder for all purposes not inconsistent with the provisions or purposes of this indenture, and with the same force and effect as though such pledge had not been made. The trustee from time to time, upon written request of the railroad company, signed by the president or any vice president, and under its corporate seal duly attested by the secretary or assistant secretary, shall give to the railroad company or its nominees suitable proxies for such purposes, it being expressly understood that, notwithstanding any other provision of this indenture, and in addition to all other purposes not inconsistent with the provisions or purposes of this indenture, such proxies may and shall, if desired by the railroad company, be given to enable it or its nominees to vote, and that accordingly it or they may vote upon all shares of stock of any company pledged hereunder (1) to enable such company to change, alter, or renew, or terminate any existing lease of railway or other property leased to or by it, or (2) to make a new lease of all or any part of the railway or other property covered by any such existing lease, or to lease additional lines of railway or other property, unless in the opinion of the trustee such a change, alteration, renewal, or termination, or such new lease or such lease of additional lines is likely to be prejudicial to this trust; (3) to authorize the merger or consolidation of any two or more of the companies whose capital stock is or shall be pledged hereunder
299 with each other or the merger or consolidation of any one or more of said companies with some company or companies whose stock shall not prior to such merger be pledged hereunder, or the merger or consolidation of any one or more of such companies into or with the railroad company or into or with the railroad company and other companies; provided always, that stock issued to the railroad company of any consolidated company formed by the merger or consolidation of any companies the capital stock of one or more of which is or shall be pledged hereunder, with each other, or with any company or companies whose stock shall not prior to such merger be pledged hereunder shall be transferred to and deposited with the trustee hereunder in lieu of the stock of the respective companies so merged or consolidated. In the case of a merger or consolidation into or with the Lehigh Valley Railroad Company provision shall be made, if it shall be practicable so to do, for the lien of this mortgage to attach to the property or properties of the company or companies so merged or consolidated into or with the Lehigh Valley Railroad Company prior to any of the mortgages of the Lehigh Valley Railroad Company mentioned in section 5 of article 2 hereof. And it is further expressly understood that notwithstanding any other covenant or provision of this indenture, and for the full accomplishment of the purposes of any vote or power given as

in this section permitted, the railroad company and any such other company, severally and respectively, from time to time may take any and all action authorized by any such vote or power.

Sec. 4. The trustee is authorized to cause to be registered in its name as trustee any and all coupon bonds having provision for registration which may be hereafter pledged at any time with it hereunder, or to cause the same to be exchanged, if practicable, for registered bonds of any denomination without coupons, or if
300 the railroad company shall, in writing, consent thereto to cause the same to be stamped "Not negotiable. Held by Girard Trust Company as trustee, under the mortgage of Lehigh Valley Railroad Company, dated September 30th, 1903." The trustee shall cause to be transferred into its name as trustee hereunder all registered bonds and all shares of stock which at any time may be delivered and assigned to it as security hereunder.

The trustee may do whatever it may deem necessary for the purpose of maintaining or preserving the corporate existence of any and all companies, any of whose shares shall, at any time, be pledged hereunder, and for such purposes it may from time to time assign and transfer so many shares of the stocks of the several companies as may be necessary to qualify persons to act as directors of, or in any other official relation to, said companies; and in all cases the trustee may make such arrangements as it shall deem necessary for the protection of the trusts hereunder.

Sec. 5. If any default shall be made in the payment of the principal or interest of any mortgage bonds at any time hereafter pledged hereunder, or of other bonds secured by the same mortgage as secures such bonds held by the trustee, then, in any such case, the trustee, upon the written request of the railroad company, and upon being provided with the necessary funds, or provided with satisfactory security for costs and expenses, shall cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose the mortgage or mortgages by which such bonds are secured.

In case the railroad company shall be in default in the payment of the principal or interest of any of the bonds hereby secured, and such default shall have continued for a period of six months, or in case a receiver of the premises mortgaged hereby shall have been appointed, or in case the trustee shall have entered, or shall
301 have elected to enter into possession of any such mortgaged premises under the power hereinafter conferred or by the voluntary action of the railroad company, then the trustee, in its discretion, may institute such proceedings of its own motion without such written request.

In case, at any time, any company of whose capital stock the greater part shall be held by the trustee hereunder shall be dissolved or liquidated, or in case all or any of the property of any such company shall be sold, upon the insolvency of such company, at any

judicial or other sale, or in case any property covered by a mortgage securing any bonds held by the trustee hereunder shall be sold to satisfy such mortgage, then (1), in any such case, if the property of such company or the property sold can be acquired by crediting on the bonds, claims, indebtedness, or stock held by the trustee hereunder the amount accruing thereon out of the proceeds of such property, the trustee may, in its discretion, and (2) in any case, if by the railroad company requested in writing and by it provided with the necessary funds therefor, the trustee shall purchase or cause to be purchased such property, either in the name and on behalf of the railroad company, or in its own name, or by purchasing trustees, and shall use such bonds, claims, indebtedness, and stock to make payment for such property; and in case of any such purchase the trustee shall take such proceedings as it may deem best to cause such property to be vested either in the railroad company, subject to the lien of this indenture, or in some other corporation organized, or to be organized, for that purpose, of whose bonded debt and capital stock all, excepting the amount thereof required to qualify directors, shall be received and held by the trustee, and shall be vested in the railroad company, subject to the lien of this indenture.

The railroad company covenants that, on demand of the trustee, it will forthwith pay or satisfactorily provide for all expendi-
302 tures incurred by the trustee under any of the provisions of this section, including all sums required to obtain and perfect the ownership and title to any properties which the trustee shall purchase or cause to be purchased pursuant to the provisions of this section; and, in case the railroad company shall fail so to do, then, without impairment of or prejudice to any of its rights hereunder by reason of the default of the railroad company, the trustee, in its discretion, may advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances, made by the trustee or by others, at its request, with interest thereon, the trustee shall have a lien on the property hereby mortgaged and pledged, which lien shall be prior to the lien of the bonds hereby secured, but in no event shall the principal of such lien exceed in the aggregate, at any one time, a sum equal to five per cent of the principal of the total amount of bonds issued hereunder and then outstanding.

In case the trustee shall not purchase or cause to be purchased the property sold at any such sale and shall not join in a plan of reorganization as aforesaid, in respect of such bonds or stock, the trustee shall receive any portion of the proceeds of the sale accruing on the securities by it held hereunder, and shall apply the same in the manner provided in article six hereof in respect of moneys arising from the sale of similar property released from the lien hereof as therein provided.

Sec. 6. Anything herein contained to the contrary notwithstanding, the trustee may also in any of the cases herein stated, or in any

other case not specifically provided for in this instrument, take such steps or assent to such action, in respect to any of the premises or property, real or personal, now or hereafter mortgaged or pledged hereunder, as in the opinion of the railroad company, expressed by resolution of the board of directors and in the discretion of the trustee, shall be for the benefit of such premises and property, or any part thereof, and for such purpose the trustee may join
303 in any plan of reorganization or other action, or in any agreement approved by it, in respect of any such premises and property, and may accept any new securities representing any such premises and property issued under any such plan.

Sec. 7. The trustee, at any time in its discretion, may, and if requested in writing by the railroad company shall, consent to the extension of any bonds which hereafter shall be pledged with or assigned to the trustee hereunder, and of the mortgages securing the same, to the extent provided in sec. 9 of article two hereof; provided that such extended bonds shall be secured by a lien and charge upon the same property equal or superior to that of the bonds extended. The trustee may receive the certificate of counsel of the railroad company as conclusive evidence that such extended bonds are so secured.

*Article four.*

Sec. 1. Neither any coupon belonging to any bond hereby secured nor any claim for interest on any registered bond, which in any way on or after the maturity thereof shall have been transferred or pledged, separate and apart from the bond to which it relates, shall, unless accompanied by such bond, be entitled, in case of a default hereunder, to any benefit of or from this indenture, except after the prior payment in full of the principal of all bonds issued hereunder and of all coupons and interest obligations not so transferred or pledged.

Sec. 2. In case (1) default shall be made in the payment of any interest on any bond at any time issued under and secured by this indenture, or on any bond mentioned in section 5 of article two hereof, and any such default shall continue for a period of six months; or in case (2) default shall be made in the due and punctual payment of the principal of any bond secured hereby or of any
304 bond mentioned in section 5 of article two hereof; or in case (3) default shall be made by the railroad company in the payment of any tax, assessment, or other governmental charge lawfully imposed or levied upon any part of the property and premises hereby mortgaged, or upon the income and profits thereof, and such default shall continue for a period of six months after written notice thereof from the trustee or from holders of five per cent in amount of the bonds hereby secured and then outstanding; or in case (4) the railroad company shall make default in the due observance and performance of any other covenant or condition herein contained, and any such default shall continue for a period of six months after writ-

ten notice thereof to the railroad company from the trustee or from the holders of five per cent in amount of the bonds hereby secured and then outstanding; then, and in each and every such case of default (provided, however, in respect of any of the three cases so indicated, that such default shall have continued for six months as aforesaid), the trustee personally, or by its agent or agents, attorney or attorneys, may enter into and upon all or any part of the railroads, property, and premises, lands, rights, interests, and franchises hereby conveyed, or intended so to be, and each and every part thereof, and may exclude the railroad company, its agents and servants, wholly therefrom, and having and holding the same may use, operate, manage, and control said premises and conduct the business thereof either personally or by its superintendents, managers, receivers, agents, and servants, or attorneys, to the best advantage of the holders of the bonds hereby secured in accordance with law and with any statute relating to said premises or any part thereof, or to the operation thereof; and upon every such entry the trustee, at the expense of the trust estate, from time to time, by purchase, repairs, or construction, may maintain and restore, and insure or keep insured, the railroads,
property, buildings, and structures erected or provided for use
305 in connection with said premises, and whereof it shall become
possessed, as aforesaid, in the same manner and to the same extent as is usual, and likewise from time to time, at the expense of the trust estate, may make all necessary or proper repairs, renewals, and replacements and useful alterations, additions, betterments, and improvements thereto and thereon; and the trustee in such case shall have the right to manage the mortgaged premises as aforesaid and to carry on the business and exercise all rights and powers of the railroad company, either in the name of the railroad company or otherwise, as the trustee shall deem best; and it shall be entitled to collect and receive all incomes, rents, issues, and profits of the same and every part thereof, and also the income from stocks and bonds pledged hereunder, and after deducting the expenses of operating said premises and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments, and improvements, and all payments which may be made for taxes, assessments, insurance, and prior or other proper charges upon the said premises and property, or any part thereof, including any interest paid on bonds prior in lien to those secured hereby, as well as just and reasonable compensation for its own services and for all agents, clerks, servants, and other employees by it properly engaged and employed, it shall apply the moneys arising as aforesaid as follows:

In case the principal of the bonds hereby secured shall not have become due, to the payment of the interest remaining in default, in the order of the maturity of the instalments of such interest, with interest thereon at the rate of five per cent per annum; such payments to be made ratably to the persons or parties entitled thereto, without discrimination or preference.

In case the principal of the bonds hereby secured shall have
306 become due by declaration or otherwise, first, to the payment of the accrued interest, with interest thereon at the rate of five per cent per annum, in the order of the maturity of the instalments thereof, and next, to the payment of the principal of all bonds hereby secured; in every instance such payments to be made ratably to the person or persons entitled to such payment without any discrimination or preference.

All the foregoing provisions are, however, subject to the provisions postponing the rights of holders of detached coupons and assignments of interest, not accompanied by the bond to which they relate.

In case, and during such continuance, of any such default in either of the first three cases specified in this section, either with or without entry by the trustee, and also in the fourth case, if the trustee shall have entered or shall have elected to enter as aforesaid, the trustee shall have, exercise, and enjoy the right to vote on all shares of stock pledged or agreed to be pledged hereunder, and, for the benefit of the holders of bonds hereby secured, the right to receive and collect all interest moneys and dividends maturing or payable upon all pledged bonds and stocks, and to apply as hereinbefore provided the net moneys received, and as holder of such shares of stock and of such bonds that may be hereafter pledged under this indenture, to perform any and all acts, and to make or execute any and all requests, requisitions, or other instruments in the premises. In the event that a receiver of the hereby mortgaged premises shall have been appointed and shall be in possession thereof, the trustee, from time to time, in its discretion, may turn over any part or all of the interest moneys and dividends so collected by it to such receiver and may cooperate with such receiver in managing and operating the entire properties mortgaged or pledged hereunder in such manner as the trustee shall deem for the best interests of the holders of the bonds hereby secured.

307 Sec. 3. In case default shall be made by the railroad company in the payment of any interest on any bond hereby secured, and such default shall continue for a period of six months, then and in every case of such continuing default, upon the written request of the holders of a majority in amount of the bonds hereby secured then outstanding, the trustee, by notice in writing delivered to the railroad company, shall declare the principal of all bonds hereby secured then outsanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this indenture or in said bonds contained to the contrary thereof in anywise notwithstanding. This provision is, however, subject to the condition that if at any time after the principal of said bonds shall have been so declared due and payable all arrears of interest upon all such bonds, with interest at the rate of five per cent per annum on overdue instalments of interest, shall either be paid by the railroad company or be collected out of the mortgaged premises before any sale of the mortgaged

premises shall have been made, then and in every such case the holders of a majority in amount of the bonds hereby secured then outstanding, by written notice to the railroad company and to the trustee, may waive such default and its consequences; but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

In case the trustee shall have proceeded to enforce any right under this indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of such waiver or for any other lawful reason, or shall have been determined adversely to the trustee, then and in every such case the railroad company shall be restored to its former position and rights hereunder in respect of the mortgaged premises and the shares of stock and bonds and other property herein pledged or agreed to be pledged, and upon its written request the trustee shall do, make, exe-
208 cute, acknowledge, and deliver such acts, deeds, instruments, and assurances in the law as may be required to effectuate such purpose; but, nevertheless, all rights, remedies and powers of the trustee shall survive and continue as though no such proceedings had been taken.

Sec. 4. In case (1) default shall be made by the railroad company in the payment of any interest on any bond at any time issued under and secured by this indenture or on any bond mentioned in section 5 of article two hereof, and any such default shall continue for a period of six months; or in case (2) default shall be made by the railroad company in the due and punctual payment of the principal of any bond secured hereby or of any bond mentioned in section 5 of article two hereof, or in case (3) default shall be made by the railroad company in the payment of any tax, assessment or other governmental charge lawfully imposed or levied upon any part of the property and premises hereby mortgaged or upon the income and profits thereof, and such default shall continue for a period of six months after written notice thereof to the railroad company from the trustee or from holders of five per cent in amount of the bonds hereby secured and then outstanding; or in case (4) the railroad company shall make default in the due observance and performance of any other covenant or condition herein contained, and any such default shall continue for a period of six months after written notice thereof to the railroad company from the trustee or from the holders of five per cent in amount of the bonds hereby secured and then outstanding; then and in each and every such case of default (provided, however, in respect of any of the three cases so indicated, that such default shall have continued for six months as aforesaid) the trustee, with or without entry, personally or by attorney, in its discretion (a) may sell to the highest and best bidder all and singular the mort-
gages and pledged property and premises, bonds and stocks,
209 rights, franchises, and interests, lands and appurtenances, and other real and personal property of every kind, and all right, title and interest, claim and demand therein, and right of redemp-

tion thereof in one lot as an entirety, provided, however, in respect of such lot that if a sale thereof in parcels shall be required under the provisions of section 6 of this article, sale may be made in parcels as in said section provided; which sale shall be made at public auction at such place in the city of Philadelphia, in the State of Pennsylvania, or at such other place and at such time and upon such terms as the trustee may fix and briefly specify in the notice of sale to be given as herein provided; or (b) immediately upon the expiration of the six months in any of the three cases so indicated, and immediately upon default in payment of principal in the other case may proceed to protect and enforce the right of bondholders under this indenture by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this indenture, or for the enforcement of any other appropriate legal or equitable remedy as the trustee, being advised by counsel learned in the law, shall deem most effectual to protect and to enforce any of its rights or duties hereunder.

Upon the written request of the holders of twenty-five per cent in amount of the bonds hereby secured and then outstanding, in case of any such default (continued in any of said three cases for six months as aforesaid), it shall be the duty of the trustee, upon being indemnified as hereinafter provided, to take all needful steps for the protection and enforcement of its rights and the rights of the bondholders secured hereby, and to exercise the powers of entry or sale herein conferred, or both, or to take appropriate judicial proceedings by action, suit, or otherwise, as the trustee, being advised by counsel learned in the law, shall deem most expedient in the interest of the holders of the bonds hereby secured.

310 Sec. 5. Anything in this indenture contained to the contrary notwithstanding, the holders of seventy-five per cent in amount of the bonds hereby secured and then outstanding, in case of any subsisting default, from time to time, shall have the right to direct and control the method and place of conducting any and all proceedings for any sale of the property and premises hereby conveyed and pledged, or agreed or intended so to be, or for the foreclosure of this indenture, or for the appointment of a receiver, or for the purpose of taking any other proceedings hereunder.

Sec. 6. In the event of any sale, whether made under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, or of some judgment or decree of foreclosure and sale, the whole of the property hereby mortgaged and pledged shall be sold as provided in section 4 of this article in one lot, as an entirety, including all the rights, title, estates, lands, rights to lands, railroads, equipment, franchises, leases, leasehold interests, contracts, stocks, bonds, and other real and personal property of every name and nature, unless the holders of a majority in amount of the bonds hereby secured then outstanding shall, in writing, request the trustee to cause the same to be sold in parcels, in which case the sale thereof

shall be made in such parcels as may be specified in such request or petition, or unless such sale as an entirety is impracticable by reason of some statute or other cause; and this provision shall bind the parties hereto and each and every of the holders of the bonds and coupons hereby secured or intended so to be.

Sec. 7. Notice of any such sale pursuant to any provision of this indenture shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each week for four successive weeks prior to such sale in a newspaper published in the city of New York and in a newspaper published in the city of Philadelphia.

311 Sec. 8. Upon the completion of any sale or sales under this indenture the trustee shall make, execute, and deliver to the accepted purchaser or purchasers a good and sufficient deed, or good and sufficient deeds, of conveyance of the property and franchises sold. And the trustee and its successors are hereby appointed the true and lawful attorney or attorneys, irrevocable, of the railroad company in its name and stead to make all necessary deeds and conveyances of property and all necessary transfers of shares of stock or bonds or other obligations thus sold, and for that purpose it and they may execute all necessary acts of assignment and transfer and may substitute one or more persons with like power, the railroad company hereby ratifying and confirming all that its said attorney or attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof.

Any such sale or sales made under or by virtue of this indenture, whether under the power of sale hereby granted and conferred or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim, and demand whatsoever, either at law or in equity, of the railroad company of, in, and to the premises sold, and shall be a perpetual bar both at law and in equity against the railroad company, its successors, and assigns, and against any and all persons claiming or to claim the premises sold, or any part or parcel thereof, by, from, through, or under the railroad company, its successors and assigns, or any of them.

The personal property and chattels conveyed, or intended to be conveyed, by or pursuant to this indenture, other than stocks, bonds, and other securities and property pledged or to be pledged with the trustee, shall be real estate for all the purposes of this indenture, and shall be held and taken to be fixtures and appurtenances of the railroads and part thereof, and are to be used and sold therewith, and not separate therefrom, except as herein otherwise provided.

312 Sec. 9. The trustee, from time to time, may adjourn any sale to be made by it under the provisions of this indenture by announcement at the time and place appointed for such sale or for such adjourned sale or sales, and without further notice or publication it may make such sale at the time and place to which the same shall be so adjourned.

Sec. 10. The receipt of the trustee shall be a sufficient discharge to the purchaser or purchasers of the property sold as aforesaid for the purchase money, and no such purchaser or purchasers or his, their, or its representatives, vendees, grantees, or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this indenture, or in any manner whatsoever be answerable for any loss, misapplication, or nonapplication of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency, or regularity of any such sale.

Sec. 11. In case of any such sale, whether under the power of sale hereby granted or pursuant to judicial proceedings, the whole of the principal sum of the bonds hereby secured, if not previously declared due, shall at once become due and payable, anything in said bonds or in this indenture to the contrary notwithstanding.

Sec. 12. The proceeds or avails of any such sale, whether under the power of sale hereby granted or pursuant to judicial proceedings, and the purchase money paid thereon, together with any sums which may be held by the trustee under any of the provisions of this indenture at the time of or after such sale, as part of the trust estate or the proceeds thereof, shall be applied as follows:

First. To the payment of the costs and expenses of such sale, including a reasonable compensation to the trustee, its agents, attorneys, and counsel, and of all expenses, liabilities, and advances
313 made and incurred by the trustee in managing and maintaining the property hereby conveyed, or so intended to be, and of all taxes, assessments, or liens prior to the lien of these presents, except any taxes, assessments, or other superior liens to which such sales shall have been made subject.

Second. To the payment of the whole amount then owing or unpaid upon the bonds hereby secured for principal and interest, with interest at the rate of five per cent per annum on the overdue installments of interest, and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the said bonds, then to the payment of such principal and interest without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and the accrued and unpaid interest.

Third. To the payment of the surplus, if any, to the railroad company or to whomsoever may be lawfully entitled to receive the same.

All the foregoing provisions are, however, subject to the provisions postponing the rights of holders of detached coupons and assignments of interest not accompanied by the bond to which they relate.

Sec. 13. The railroad company covenants that in case (1) default shall be made in the payment of any interest on any bonds at any time outstanding and secured by this indenture or in case (2) default

shall be made in the payment of the principal of any such bonds when the same shall become payable, whether at the maturity of said bonds or by declaration as authorized by this indenture or by a sale of the mortgaged premises as hereinbefore provided, then, upon demand of the trustee, it will pay to the trustee the whole
314 amount of the interest or of the interest and principal due and payable on all the bonds hereby secured then outstanding, with interest at the rate of five per cent per annum upon the overdue principal and installments of interest; and in case it shall fail to pay the same forthwith upon such demand the trustee, in its own name and as trustee of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

The trustee shall be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the lien of this indenture upon the mortgaged and pledged premises, and the right of the trustee to recover such judgments shall not be affected by any entry or sale hereunder or by the exercise of any other right, power, or remedy for the enforcement of the provisions of this indenture or the foreclosure of the lien thereof; and in case of a sale of the mortgaged premises and of the application of the proceeds of sale to the payment of the mortgage debt, the trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all of the bonds issued hereunder and then outstanding for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the mortgage debt remaining unpaid, with interest. No recovery of any such judgment by the trustee and no levy of any execution upon any such judgment upon property subject to the lien of this indenture or upon any other property shall in any manner or to any extent affect the lien of the trustee upon the mortgaged premises or any part thereof, or any rights, powers, or remedies of the trustee hereunder, or any rights, powers, or remedies of the holders of the bonds hereby secured, but such lien, rights, powers, and remedies shall continue unimpaired, as before.

Any moneys collected by the trustee under this section shall
315 by it be distributed and paid over to the persons registered as holders of the registered coupon bonds and registered bonds without coupons at the time of payment, and to the persons presenting the coupon bonds and coupons for such payment, without any preference or priority of any kind and ratably according to the amounts which shall have become due upon such bonds and coupons, respectively.

Sec. 14. The railroad company will not, at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force in any locality where the mortgaged premises or pledged property, or any part of either, may or shall be situate, nor will it claim,

take, or insist on any benefit or advantage from any law now or hereafter in force, providing for the valuation, or appraisement, of the mortgaged premises, or pledged property, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or prior to the decree of any court of competent jurisdiction; nor after any such sale or sales will it claim or exercise any right under any statute enacted by the Congress of the United States, or by the legislature of any State, to redeem the property so sold, or any part thereof; and it hereby expressly waives all benefit and advantage of any such law or laws; and it covenants that it will not hinder, delay, or impede the execution of any power herein granted and delegated to the trustee, but that it will suffer and permit the execution of every such power, as though no such law or laws had been made or enacted.

Sec. 15. Upon filing a bill in equity, or upon commencement of any other judicial proceedings to enforce any right of the trustee or of the bondholders under this indenture, the trustee shall be entitled to exercise the right of entry herein conferred, and also any and all other rights and powers herein and hereby conferred and pro-
316 vided to be exercised by the trustee upon the occurrence and continuance of default as hereinbefore provided; and, in any case of any default entitling the trustee to enter as provided in section 2 of this article, the trustee, as matter of right, shall be entitled to the appointment of a receiver of the premises hereby mortgaged, and of the earnings, income, revenue, rents, issues, or profits thereof, with such powers as the court making such appointment shall confer; but, notwithstanding the appointment of any receiver, the trustee shall be entitled, as pledgee, to continue to retain possession and control of the stocks, bonds, cash, and other property pledged or to be pledged with the trustee hereunder.

Sec. 16. The railroad company at any time hereafter, before full payment of the bonds secured hereby, and whenever deemed expedient for the better security of such bonds, although there be then no default entitling the trustee to enter into possession, may, with the consent of the trustee, surrender and deliver to the trustee full possession of the whole or any part of the property, premises, and interests by it hereby conveyed, or intended so to be, for any period, fixed or indefinite. Upon such surrender and delivery to the trustee, with its consent, the trustee shall enter into and upon the premises so surrendered and delivered, and shall take and receive possession thereof, for such period, fixed or indefinite, as aforesaid, without prejudice, however, to its right at any time subsequently, when entitled thereto by any provision hereof, to insist upon and to maintain such possession though beyond the expiration of any such prescribed period. Upon any such voluntary surrender and delivery of said property and premises, or any part thereof, the trustee, from the time of its entry shall work, maintain, use, manage, control, and employ the same in accordance with the provisions of this indenture, and shall receive and apply the income and revenue thereof as provided in section 2

of this article. Upon application of the trustee, and with con-
317 sent of the railroad company if there be then no subsisting default hereunder, and without such consent if there shall then be a subsisting default entitling the trustee to enter as provided in section 2 of this article hereof, a receiver may be appointed to take possession of, and to operate, maintain, and manage the whole or any part of said property wheresoever the same may be situated, with all the rights, powers, and duties by this section conferred upon the trustee, and the railroad company shall transfer and deliver to such receiver all such property in its possession wheresoever the same may be situated; provided, however, that notwithstanding the appointment of any such receiver, the trustee, as pledgee, shall be entitled to retain possession and control of the stocks, bonds, cash, and other property pledged or to be pledged with the trustee hereunder.

Sec. 17. No holder of any bond or coupon hereby secured shall have any right to institute any suit, action, or proceeding in equity or at law for the foreclosure of this indenture or for the execution of any trust hereof, or for the appointment of a receiver, or for any other remedy hereunder, unless such holder shall previously have given to the trustee written notice of default and of the continuance thereof as hereinbefore provided, nor unless, also, the holders of twenty-five per cent in amount of the bonds hereby secured and then outstanding shall have made written request of the trustee and shall have afforded to it reasonable opportunity, either itself to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, nor unless, also, they shall have offered to the trustee adequate security and indemnity against the cost, expenses, and liability to be incurred therein or thereby; and such notification, request, and offer of indemnity are hereby declared in every such case, at the option of the trustee, to be conditions precedent to the execution of the powers and trusts of this indenture
318 and to any action, or cause of action, for foreclosure or for the appointment of a receiver, or for any other remedy hereunder, it being understood and intended that no one or more holders of bonds and coupons shall have any right in any manner whatever to affect, disturb, or prejudice the lien of this indenture by his or their action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of all holders of such outstanding bonds and coupons.

Sec. 18. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the trustee, or upon or to the holders of bonds hereby secured, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Sec. 19. In case of any sale hereunder any and all purchasers in making settlement or payment shall be entitled to turn in any bonds

and any matured and unpaid interest obligations hereby secured, estimating the value of such bonds and coupons for that purpose at the sum payable out of the net proceeds of such sale to the holder or holders of such bonds and coupons as his or their ratable share of such net proceeds, after allowing for the proportion of the total payment required to be made in cash for the costs and expenses of the sale or otherwise; and if such share of net proceeds shall be less than the amount then due upon such bonds and coupons, such purchaser or purchasers may make such settlement by receipting on the bonds the amount to be credited thereupon; and at any such sale any bondholders may bid for and purchase such property, and upon compliance with the terms of sale may hold, retain, and dispose of such property without further accountability therefor.

319 Sec. 20. No delay or omission of the trustee, or of any holder of bonds hereby secured, to exercise any right or power accruing upon any default continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein.

Sec. 21. If, in order to preserve the franchises of the railroad company, and to avoid a sale hereunder, any plan of reorganization shall be proposed with provisions for the modification of this mortgage, so far as to authorize and require the creation of new liens upon the mortgaged premises prior and superior to the lien hereof, then and in every such case registered holders of four-fifths in amount of all outstanding bonds hereby secured, may, in writing, direct the trustee, in behalf of all the holders of all bonds then or thereafter issued hereunder, to acquiesce in the provisions of such plan; which plan also may determine and provide for the interests of other creditors and lienors and of the shareholders of the railroad company. This special power, however, is granted to the registered holders of four-fifths in amount of the bonds upon the express condition that no bond hereby secured and then outstanding shall be changed as to amount or date of payment of principal or rate or dates of payment of interest. Thereupon, but not otherwise, the trustee shall by writing acquiesce in such provisions of such plan and such acquiescence by the trustee shall constitute the irrevocable assent of all holders of bonds and coupons hereby secured to any such accepted modifications, as set forth in such plan and necessary to give effect to such provisions thereof. All such modifications so affecting this indenture and the bonds and coupons hereby secured shall be reduced to a written agreement between the railroad company and the trustee, and such agreement shall be recorded in Philadelphia County, Pennsylvania; and thenceforth shall be deemed to be part of this indenture, and thereafter the lien of this indenture and of the bonds hereby secured, shall be deemed to be and shall

320 be subordinate to such new and prior liens created pursuant to such plan, but only to the extent specified in such written agreement.

Registration of bonds for any purpose of this section shall be sufficient if then or theretofore made and then continuing in any manner permitted by section 4 of article two of this indenture.

*Article five.*

Sec. 1. Any request or other instrument required by this indenture to be signed and executed by bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent, and of the holding by any person of coupon bonds transferable by delivery, shall be sufficient for any purpose of this indenture, if made in the following manner:

The fact and date of the execution by any person of any such request, or other instrument of writing, may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in Pennsylvania, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution.

The amount of coupon bonds transferable by delivery, held by any person executing any such request or other instrument as the holder of bonds, and the issue numbers of the bonds held by such person, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers, or other depositary (wherever situated), whose certificate may be deemed by the trustee to be satisfactory, showing that such person had on deposit with such depositary the bonds described in such
321 certificate at the date therein mentioned. The ownership of registered coupon bonds or of registered bonds without coupons shall be proved by the registers of such bonds as provided in section 4 of article two hereof.

Such proof shall be conclusive in favor of the trustee with regard to any action taken by it under such request or other instrument.

*Article six.*

Sec. 1. Upon the written request of the railroad company, approved by resolution of its board of directors or executive committee from time to time, while the railroad company, not being in any default hereunder, is in possession of the mortgaged premises, but subject to the conditions and limitations in this section prescribed, and not otherwise, the trustee, by proper instruments of writing, shall release from the lien and operation of this indenture any part of the premises and property, real or personal, now or hereafter mortgaged or pledged hereunder, except any of the shares of stock

mentioned in I of subdivision third of the granting clauses hereof, and except also any shares of stock that may hereafter be pledged hereunder and at the time of pledge classified, with the approval of the trustee under said I, but no release of stocks pledged hereunder shall be made except upon the redemption thereof as hereinafter provided.

No release hereunder of real estate shall be made unless the railroad company shall have sold or shall have contracted to sell or to exchange for other property the property so to be released.

The railroad company shall have the right at any time and from time to time to redeem from the lien hereof any or all of the shares of stock mentioned in II of subdivision third of the granting clauses hereof or hereafter pledged hereunder and at the time of pledge classified, with the approval of the trustee, under said II, and any or all bonds hereafter pledged hereunder, at prices which, in its
322 discretion, the trustee shall approve; provided, that in the case of the alienation of the said shares of stock the railroad company and the trustee, in the discretion of the trustee, shall be of the opinion that the alienation of such stocks on the terms proposed will not be detrimental to the security of the bonds issued hereunder and secured hereby; and such redemption may be made either in money or in bonds hereby secured at the par value thereof, with five per cent premium added thereto, and for the purpose of any such redemption the railroad company may use any of the bonds hereby secured when duly issued or reissued hereunder and held or acquired by it from time to time. All of said bonds hereby secured so applied in redemption of securities shall thereupon be cancelled by the trustee, and when cancelled shall be surrendered to the railroad company.

The railroad company shall have the right at any time to exchange for other stocks the stocks named in II of subdivision third of the granting clauses hereof or hereafter pledged hereunder and at the time of pledge classified with the approval of the trustee under said II, provided such exchange shall be approved by the trustee, and the stock received by way of exchange shall be deposited and pledged with the trustee of this mortgage and classified under II.

The trustee shall deliver to the railroad company, with all rights unimpaired, any stocks or bonds so redeemed from the lien hereof by the railroad company, and shall execute and deliver all proper instruments of transfer and assignment in respect thereof.

Sec. 2. The proceeds of any and all such sales of property, or of stocks or bonds pledged hereunder, and also all moneys received as compensation for any such property subject to this indenture taken by exercise of the power of eminent domain, may be disposed of as required by any mortgage thereon or pledge thereof prior hereto, and the trustee may acquiesce in such disposition. So far as
323 such proceeds and moneys shall not be disposed of pursuant to any such requirement, they shall be set apart and, at the option of the railroad company, shall be applied, either (1) to the

purchase of bonds hereby secured in such manner and at such prices as the railroad company and the trustee shall deem expedient (including bonds held or acquired by the railroad company from time to time), all of which bonds so applied in disposition of proceeds of sale as aforesaid shall thereupon be cancelled by the trustee, and when cancelled shall be surrendered to the railroad company, and, to the extent that bonds hereby secured cannot be bought on terms deemed expedient by the railroad company and the trustee, then to the purchase of securities in which at such time savings banks shall be authorized under the laws of Pennsylvania to invest their funds, such securities to be held by the trustee as a part of the trust estate hereunder and the interest thereon or income therefrom to be paid to the railroad company; or (2) to the improvement of or additions to any part of the mortgaged premises of the railroad company, or of the premises of any company, the entire capital stock (or in the opinion of the trustee substantially the entire capital stock) of which shall at the time be pledged hereunder, or to the purchase of other property, real or personal, by the railroad company, or by any such other company, or to the purchase by the railroad company of stocks or bonds of other companies, which shall be assigned in trust by the railroad company to the trustee, subject to all the trusts hereby declared, and shall be classified under I or II of subdivision third of the granting clauses hereof as the trustee shall approve. And if such proceeds and money shall have been applied, under (1) hereof, to the purchase of securities in which at such time savings banks shall be authorized under the laws of Pennsylvania to invest their funds, the trustee shall at any time or times, on the request of
324 the railroad company, sell such securities at prices satisfactory to the trustee and apply the proceeds as above provided under (2) of this section. Any new property acquired by the railroad company to take the place of any property released hereunder shall ipso facto become and be subject to the lien of this indenture as fully as if hereby specifically mortgaged, but, if requested by the trustee, the railroad company will convey or assign the same to the trustee by appropriate instruments upon the trusts and for the purposes of this indenture.

Sec. 3. The railroad company, from time to time, while in possession of the mortgaged premises as provided in article nine hereof, and not being in default hereunder, shall have full power, in its discretion, to dispose of any portion of the machinery, equipments, and implements, at any time held or acquired, which may have become unfit for use or unnecessary, replacing the same, so far as may be necessary, by new machinery, equipments, or implements, which immediately upon such acquisition shall become subject to the lien and operation of this indenture; and the railroad company may, notwithstanding anything herein contained, consent to such disposition by any of the companies whose stocks are at the time pledged hereunder of like property of such companies.

In no event shall any purchaser or purchasers of any property sold or disposed of under any provision of this article of this indenture be required to see to the application of the purchase money.

In case any portion of the mortgaged or pledged premises shall be in the possession of a receiver lawfully appointed, the powers in and by this article conferred upon the railroad company may be exercised by such receiver with the approval of the trustee; and if the trustee shall be in possession of the mortgaged or pledged premises under any provision of this indenture, then all the powers by this article conferred upon the railroad company may be exercised by the trustee in its discretion.

325 Sec. 4. In case at any time it shall become necessary, or in the judgment of the trustee shall be for the interest of the bondholders hereby secured, or for the benefit of the mortgaged property, that the railroad company shall terminate or renew or shall make changes or alterations in or a substitution of any of the leases embraced in the granting clauses of this mortgage, the railroad company, with the written consent of the trustee, may make any such terminations, renewals, changes, alterations, or substitutions, and may make or cause to be made, executed, and delivered all such instruments in writing as may be proper and necessary to carry out and perfect any and all terminations, renewals, changes, alterations, or substitutions authorized in this section. At the same time provision shall be made by instruments in writing satisfactory to the trustee so that any renewed, changed, altered, or substituted leases shall forthwith become bound by and be subject to the terms of this indenture in the same manner as the original lease.

*Article seven.*

Sec. 1. The trustee shall not be answerable for the default or misconduct of any agent or attorney appointed by it in pursuance hereof if such agent or attorney shall have been selected with reasonable care or for anything whatever in connection with this trust except its own wilful misconduct or gross negligence. The trustee shall not be personally liable for any debts contracted by it or for damages to persons or property carried or injured or for salaries or nonfulfilment of contracts during any period wherein the trustee shall manage the trust property or premises upon entry or voluntary surrender as aforesaid. The trustee shall not be under any obligation to take any action towards the execution or enforcement of the trust hereby created which in its opinion shall be likely to involve it in expense or liability unless and as often as required by the trustee the trustee shall be furnished with reasonable indemnity
326 against such expense or liability; nor shall the trustee be required to take notice of any default hereunder unless notified in writing of such default by the holders of at least five per cent in amount of the bonds hereby secured then outstanding or to take any

action in respect of any default unless requested in writing to take such action by the holders of not less than twenty-five per cent in amount of the bonds hereby secured then outstanding and tendered reasonable indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request, nor this provision therefor, shall restrict any discretion herein given to the trustee to determine whether or not it shall take action in respect of such default or to take action without such request. The trustee shall not be responsible for the recording of this indenture.

The trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the trusts hereby created.

Sec. 2. The trustee or any trustee hereafter appointed may resign and be discharged of the trusts created by this indenture by giving notice thereof to the railroad company and to the bondholders through publication at least twice a week for four successive weeks in one newspaper at that time published in the city of New York and in one newspaper published in the city of Philadelphia and by due execution of the conveyances hereinafter required.

The trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to it signed by the holders of three-quarters in amount of the bonds secured hereby and then outstanding or by their attorneys in fact duly authorized.

Sec. 3. In case at any time the said trustee or any trustee hereafter appointed shall resign or be removed or otherwise become incapable of acting, a successor or successors may be appointed by the holders of a majority in amount of the bonds hereby secured and then outstanding by an instrument or concurrent instruments in
327 writing signed by such bondholders or their attorneys in fact duly authorized: provided, nevertheless, and it is hereby agreed and declared, that in case at any time there shall be a vacancy in the office of trustee hereunder the railroad company, by an instrument executed by order of its board of directors, may appoint a trustee to fill such vacancy until a new trustee shall be appointed by the bondholders as herein authorized. The railroad company shall thereupon publish notice of such appointment once a week for six successive weeks in a newspaper published in the city of New York and in a newspaper published in the city of Philadelphia, and any new trustee so appointed by the railroad company shall immediately and without further act be superseded by a trustee appointed in the manner above provided by the bondholders prior to the expiration of ninety days after such publication of notice. In case no such appointment shall be made by the bondholders prior to the expiration of such ninety days, a new trustee to supersede the trustee appointed by the railroad company may nevertheless be appointed by any judge of the United States Circuit Court for the Third Circuit or by any court of competent jurisdiction in the premises upon the application of one-quarter in amount of the bondholders. Every such trustee appointed in place of Girard Trust Company, Philadelphia, or its

successor in the trust shall always be a trust company in good standing, doing business in the city of Philadelphia or in the city of New York, and having a capital and surplus aggregating at least $2,000,000, if there be such a trust company willing and able to accept the trust upon satisfactory terms.

Any new trustee appointed hereunder shall execute, acknowledge, and deliver to the trustee last in office and also to the railroad company an instrument accepting such appointment hereunder, and thereupon such new trustee shall become vested with all the estates, properties, rights, powers, and trusts of its or his predecessor
328 in the trust hereunder with like effect as if originally named as trustee herein, without any further act, deed, or conveyance; the trustee ceasing to act shall, on the written request of the new trustee, execute and deliver an instrument transferring to such new trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the trustee so resigning or removed, and shall duly assign, transfer, and deliver any and all stocks, bonds, or other property and moneys held by such trustee to the new trustee so appointed in its or his place.

Should any deed, conveyance, or instrument in writing from the railroad company be required by any new trustee for more fully and certainly vesting in and confirming to such new trustee such estates, rights, powers, and trusts, any and all such deeds, conveyances, and instruments in writing shall, on due request, be made, executed, acknowledged, and delivered by the railroad company.

*Article eight.*

Sec. 1. No recourse under any obligation, covenant, or agreement of this indenture, or of any bond or coupon hereby secured, shall be had against any incorporator, stockholder, officer, or director of the railroad company or of any successor corporation, either directly or through the railroad company, by any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise; it being expressly agreed and understood that this mortgage and the obligations hereby secured are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the incorporators, stockholders, officers, or directors of the railroad company or of any successor corporation or any or either of them under or by reason of any or either of the obligations, covenants, or agreements in this indenture or in any of the bonds or coupons hereby secured, expressed, and contained or that may be implied
329 therefrom, and that any and all personal liability, if any there should be, of every name and nature, either at common law or in equity or by existing or future statutes, of every such incorporator, stockholder, officer, or director, is hereby expressly waived as a condition of, and consideration for, the execution and issue of this mortgage and such bonds and coupons.

*Article nine.*

Sec. 1. Until some default shall have been made in the due and punctual payment of the interest or of the principal of the bonds hereby secured, or of some part of such interest or principal, or in the due and punctual performance and observance of some covenant or condition hereof obligatory upon the railroad company, and until such default shall have continued beyond the period of grace, if any, herein provided in respect thereof, or until the railroad company voluntarily shall have surrendered possession to the trustee as herein permitted, the railroad company, its successors and assigns, shall be suffered and permitted to retain actual possession of all the premises hereby mortgaged (other than the bonds, certificates of stock, cash, and other property pledged, or to be pledged, hereunder with the trustee), and the same and every part thereof, with the rights and franchises appertaining thereto, and the tolls, income, rents, issues, and profits thereof, to manage, operate, collect, receive, use, and enjoy in any manner not inconsistent with the provisions hereof.

Sec. 2. If at any time under the provisions hereof the entire amount of the bonds and coupons hereby secured shall have been acquired by the railroad company, or if when the bonds hereby secured shall have become due and payable, the railroad company shall well and truly pay, or cause to be paid, the whole amount of the principal moneys and interest due upon all the bonds and coupons for interest thereon hereby secured then outstanding,
330 or shall provide for such payment by depositing with the trustee hereunder for the payment of such bonds and coupons the entire amount due thereon for principal and interest, and shall also pay, or cause to be paid, all other sums payable hereunder by the railroad company, and shall well and truly perform all the things herein required to be performed by it according to the true intent and meaning of this indenture, then all property, rights, and interest hereby conveyed or pledged shall revert to the railroad company, and the estate, right, title, and interest of the trustee shall thereupon cease, determine, and become void, and the trustee in such case, on demand of the railroad company, and at its cost and expense, shall assign and deliver to the railroad company all stocks, bonds, and other property pledged with or held by said trustee, and shall enter satisfaction of this indenture and of any conveyances made in trust to it, pursuant to this indenture, upon the records; otherwise, the same shall be, continue, and remain in full force and virtue.

*Article ten.*

Sec. 1. All the covenants, stipulations, promises, and agreements in this indenture contained, by or in behalf of the railroad company, shall bind not only it, but also its successors or assigns, whether so expressed or not.

Sec. 2. Nothing contained in this indenture, or in any bond hereby secured, shall prevent the railroad company from entering into any lawful consolidation or merger with, or any lease to, any other corporation or corporations, or any conveyance and transfer (subject to the continuing lien of this indenture and to all the provisions thereof), of all the hereby mortgaged and pledged premises as an entirety to a corporation at that time existing under and by virtue of the laws of the United States or any State thereof, and lawfully entitled to acquire the property affected by this mortgage; provided, however, that such consolidation, merger, lease, or
331 sale shall not impair the lien and security of this indenture, or any of the rights or powers of the trustee, or of the bondholders hereunder, and that, upon any such consolidation, merger, lease, or sale, the due and punctual payment of the principal and interest of all said bonds according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of this indenture, shall be assumed by any corporation formed by such consolidation or merger, or leasing or purchasing as aforesaid.

Sec. 3. In case the railroad company, pursuant to sec. 2 of this article, shall be consolidated or merged with any other corporation, or shall sell, convey, and transfer, subject to this indenture, all its mortgaged and pledged premises as an entirety as aforesaid, every successor corporation formed by such consolidation or into which the railroad company shall have been merged, or which shall have purchased and received any conveyance and transfer as aforesaid, shall, upon executing and causing to be recorded an indenture with the trustee, satisfactory to the trustee, whereby such successor corporation shall assume the due and punctual payment of the principal and interest of the bonds hereby secured and the performance of all the covenants and conditions of this indenture succeed to, and be substituted for, the railroad company, party of the first part hereto, with the same effect as if it had been named herein as party of the first part hereto, and every such successor corporation may thereupon cause to be signed and may issue, either in its own name or in the name of the railroad company, any or all of such bonds which shall not theretofore have been signed by the railroad company and delivered to the trustee and subject to all the terms, conditions, and restrictions herein prescribed, the trustee shall certify and deliver any of such bonds which shall have been previously signed and delivered by the officers of the railroad company to the trustee for certifi-
332 cation, and any of such bonds which such successor corporation shall, as above provided, thereafter cause to be signed and delivered to the trustee for that purpose upon the order of such successor corporation. All bonds so issued shall in all respects have the same legal rank and security as the bonds theretofore or thereafter issued in accordance with the terms of this indenture, as though all of said bonds had been issued at the date of the execution hereof.

Sec. 4. For every purpose of this indenture, including the execution, issue, and use of any and all bonds hereby secured, the term "Lehigh Valley Railroad Company" includes and means not only the corporation of that name, party of the first part hereto, but also any such successor corporation, as provided in sec. 3, now existing or hereafter formed under the laws of the United States or of any State or States thereof. Every such successor corporation shall possess and from time to time may exercise each and every right and power hereunder of Lehigh Valley Railroad Company in its name or otherwise.

Sec. 5. Any act or proceeding by any term of this indenture, or of any bond or resolution herein recited, required, or provided to be done or performed by any board or officer of the railroad company, shall and may, in event of any change in its corporate existence, be done and performed with like force and effect by the like board or officer of any corporation that shall at the time be lawful sole successor of the railroad company.

Sec. 6. Nevertheless, before the exercise of the powers conferred by this article, the railroad company, by instrument in writing, executed by authority of its board of directors and delivered to the trustee, may surrender any of the powers reserved to the railroad company or to such successor corporation under this article, and thereupon such power so surrendered shall terminate.

333 *Article eleven.*

Sec. 1. The railroad company may deem and treat the registered holder of any registered bond without coupons, or of any registered coupon bond, or the bearer of any coupon bond hereby secured which shall not at the time be registered, as hereinbefore authorized, and the bearer of any coupon for interest on any such bond, whether such bond shall be registered or not, as the absolute owner of such bond or coupon, as the case may be, for the purpose of receiving payment of the interest or principal of such bond, or the amount of such coupon, and for all other purposes, and the railroad company shall not be affected by any notice to the contrary.

*Article twelve.*

Sec. 1. Girard Trust Company, trustee, party hereto of the second part, hereby accepts the trusts in this indenture declared and provided, and agrees to perform the same upon the terms and conditions hereinbefore set forth.

The words "the trustee," or "said trustee," or any other equivalent term, as used in this indenture (except when otherwise clearly indicated), shall be held and construed to mean the trustee, or trustees, for the time being, whether original or successor, and the words "trustee," "bond," "coupon," "bondholder," and "holder" shall include the plural as well as the singular number, and the terms "majority" and "per cent" shall signify "majority in amount," or "per cent in amount," whether or not so expressed.

In order to facilitate the record of this indenture, the same may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original; and such counterparts shall together constitute but one and the same instrument.

Lehigh Valley Railroad Company doth hereby constitute
334 and appoint D. G. Baird to be its attorney for it and in its name and as and for its corporate act and deed to acknowledge this mortgage before any person having authority by the laws of the Commonwealth of Pennsylvania to take such acknowledgment, to the intent that the same may be duly recorded.

Girard Trust Company doth hereby constitute and appoint Samuel W. Morris to be its attorney for it and in its name and as and for its corporate act and deed to acknowledge this mortgage before any person having authority by the laws of the Commonwealth of Pennsylvania to take such acknowledgment, to the intent that the same may be duly recorded.

335 In witness whereof Lehigh Valley Railroad Company, the party thereto of the first part, has caused this indenture to be signed by its and its corporate seal to be hereunto affixed, and the same to be attested by the signature of its secretary; and Girard Trust Company, the party of the second part, has caused this indenture to be signed by its and its corporate seal to be hereunto affixed and the same to be attested by the signature of its secretary the day and year first above written.

LEHIGH VALLEY RAILROAD COMPANY,
By E. B. THOMAS,
*President.*

Attest:

Seal of the Lehigh Valley Railroad Co.

D. G. BAIRD,
*Secretary.*

Signed, sealed, and delivered on behalf of Lehigh Valley Railroad Company in the presence of—
D. G. BAIRD.
HENRY S. DRINKER.
J. WM. ROBBINS.

GIRARD TRUST COMPANY,
By E. B. MORRIS,
*President.*

Attest:

Seal of the Girard Trust Co.

E. S. PAGE,
*Secretary.*

Signed, sealed, and delivered on behalf of Girard Trust Company in the presence of—
W. N. ELY.
W. J. DICKSON.
E. S. PAGE.

336 STATE OF PENNSYLVANIA,
*County of Philadelphia, ss:*

I hereby certify that on this 30th day of September, in the year of our Lord one thousand nine hundred and three (1903), before me, the subscriber, a notary public in and for the State and county aforesaid, personally appeared D. G. Baird, the attorney named in the foregoing mortgage, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said mortgage to be the act of the said Lehigh Valley Railroad Company.

Witness my hand and notarial seal the day and year aforesaid.

Seal of J. Wm. Robbins, notary public.

J. WM. ROBBINS,
*Notary Public.*

My commission expires March 4th, 1907.

STATE OF PENNSYLVANIA,
*County of Philadelphia, ss:*

I hereby certify that on this thirtieth day of September, in the year of our Lord one thousand nine hundred and three (1903), before me, the subscriber, a notary public in and for the State and county aforesaid, personally appeared Samuel W. Morris, the attorney named in the foregoing mortgage, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said mortgage to be the act of the said Girard Trust Company.

Witness my hand and notarial seal the day and year aforesaid.

Seal of William J. Dickson, notary public.

WILLIAM J. DICKSON,
*Notary Public.*

Commission expires May 12th, 1905.

I am not a stockholder, director, or clerk in the corporation for which I hereby act as notary public.

337 STATE OF PENNSYLVANIA,
*County of Philadelphia, ss:*

On the 30th day of September, in the year 1903, before me, personally came D. G. Baird, to me known, who being by me duly sworn, did depose and say that he resided in the city of Beverly and State of New Jersey; that he is the secretary of Lehigh Valley Railroad Company, the corporation described in and which executed the above instrument; that he knew the corporate seal of said corporation; that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

Seal of J. Wm. Robbins, notary public.

J. WM. ROBBINS,
*Notary Public.*

My commission expires March 4th, 1907.

STATE OF PENNSYLVANIA,
*County of Philadelphia, ss:*

On the thirtieth day of September, in the year 1903, before me, personally came E. B. Morris, to me known, who being by me duly sworn, did depose and say that he resided in the county of Montgomery and State of Pennsylvania; that he is the president of Girard Trust Company, the corporation described in and which executed the above instrument; that he knew the corporate seal of said corporation; that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

Seal of William J. Dickson, notary public.

WILLIAM J. DICKSON,
*Notary Public.*

Commission expires May 12, 1905.

338 STATE OF PENNSYLVANIA,
*County of Philadelphia, ss:*

Be it remembered, that on this 30th day of September, A. D. 1903, before me, the subscriber, a notary public in and for the State and county aforesaid, personally appeared David G. Baird who, being by me duly sworn, does depose and make proof to my satisfaction, that he is the secretary of Lehigh Valley Railroad Company, party to the foregoing mortgage; that he well knows the corporate seal of the said Lehigh Valley Railroad Company; that the seal thereto affixed is the proper corporate seal of the said company; that the same was so affixed thereto, and the said mortgage signed and delivered by E. B. Thomas, who was, at the date and execution thereof, the president of the said company, in the presence of deponent, as the voluntary act and deed of the said company; and that deponent thereupon signed the same as subscribing and attesting witness.

D. G. BAIRD.

Subscribed and sworn to before me, the day and year last above written.

Seal of J. Wm. Robbins, notary public.

J. WM. ROBBINS,
*Notary Public.*

My commission expires March 4th, 1907.

339 STATE OF PENNSYLVANIA,
*County of Philadelphia, ss:*

Be it remembered that on this thirteenth day of September, A. D. 1903, before me, the subscriber, a notary public in and for the State and county aforesaid, personally appeared E. S. Page, who, being by me duly sworn, does depose and make proof to my satisfaction that he is the secretary of Girard Trust Company, party to the foregoing mortgage; that he well knows the corporate seal of the said Girard Trust Company; that the seal thereto affixed is the proper corporate seal of the said company; that the same was so affixed thereto and

the said mortgage signed and delivered by E. B. Morris, who was at the date and execution thereof the president of the said company, in the presence of deponent, as the voluntary act and deed of the said company; and that deponent thereupon signed the same as subscribing and attesting witness.

E. S. PAGE.

Subscribed and sworn to before me the day and year last above written.

Seal of William J. Dickson, notary public.

WILLIAM J. DICKSON,
*Notary Public.*

Commission expires May 12, 1905.

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351 **EXHIBIT "B."**

*Collateral trust agreement.*

**Lehigh Valley Railroad Company and Girard Trust Company.**

**Dated November 1, 1905.**

352 This agreement, made this first day of November, one thousand nine hundred and five (1905), between the Lehigh Valley Railroad Company, a corporation of the State of Pennsylvania (hereinafter called the railroad company) of the first part; and the Girard Trust Company, also a corporation of the State of Pennsylvania (hereinafter called the trustee) of the second part:

Whereas the railroad company has purchased all the capital stock of Coxe Brothers and Company, Incorporated, amounting to fifty-eight thousand two hundred and three (58,203) shares, at the par value of two million nine hundred and ten thousand one hundred and fifty dollars ($2,910,150), and all of the capital stock of The Delaware, Susquehanna and Schuylkill Railroad Company, amounting to thirty thousand (30,000) shares, at the part value of one million five hundred thousand dollars ($1,500,000);

And whereas at a meeting of the board of directors of the railroad company, duly called and held in its office at the city of Philadelphia, on the thirteenth day of October, in the year one thousand nine hundred and five, a draft of an agreement, in the form of this agreement, was submitted and read, and a resolution in the following words was duly and unanimously adopted, viz:

"Resolved, That the proper officers of this company be, and they are hereby, authorized and directed in its behalf and under its corporate seal, and in form substantially that now submitted to this board, to execute an agreement with the Girard Trust Company to secure an issue of bonds for an aggregate principal sum of nineteen million dollars ($19,000,000) each bond of the denomination of one thousand dollars ($1,000), payable in gold coin of the United States of America of the present standard of weight and fineness, as
353 in said agreement to be provided, at the office of the Lehigh Valley Railroad Company in the city of Philadelphia, Pennsylvania, on the first days of August and February, from August 1st, A. D. 1907, with interest thereon from the first day of August, A. D. 1905, at the rate of four per cent per annum, payable semi-annually on the first days of the months of February and August in each year thereafter at the said office until the respective series of bonds shall become due and payable as in said agreement provided: principal and interest of said bonds payable without deduction from either principal or interest of any tax or taxes of the United States, or of any State or municipality thereof which the Lehigh Valley Railroad Company may be required to pay or retain therefrom under any present or future law."

And whereas the bonds to be secured by this agreement are to be coupon bonds of the denomination of one thousand dollars ($1,000.00) to be issued in series of five hundred thousand dollars ($500,000.00), the series to be numbered one (1) to thirty-eight (38) both inclusive, said bonds to be retired in the order of their serial number on the dates hereinafter mentioned, or after July 31st, 1912, at the option of the railroad company, as hereinafter provided, viz:

Series 1, payable August first, nineteen hundred and seven (1907).
" 2, " February first, nineteen hundred and eight (1908).
" 3, " August first, nineteen hundred and eight (1908).
" 4, " February first, nineteen hundred and nine (1909).
" 5, " August first, nineteen hundred and nine (1909).
" 6, " February first, nineteen hundred and ten (1910).
Series 7, payable August first, nineteen hundred and ten (1910).
354 Series 8, payable February first, nineteen hundred and eleven (1911).
Series 9, payable August first, nineteen hundred and eleven (1911).
" 10, " February first, nineteen hundred and twelve (1912).
" 11, " August first, nineteen hundred and twelve (1912).
" 12, " February first, nineteen hundred and thirteen (1913).
" 13, " August first, nineteen hundred and thirteen (1913).
" 14, " February first, nineteen hundred and fourteen (1914).
" 15, " August first, nineteen hundred and fourteen (1914).
" 16, " February first, nineteen hundred and fifteen (1915).

Series 17, payable August first, nineteen hundred and fifteen (1915).
" 18, " February first, nineteen hundred and sixteen (1916).
" 19, " August first, nineteen hundred and sixteen (1916).
" 20, " February first, nineteen hundred and seventeen (1917).
" 21, " August first, nineteen hundred and seventeen (1917).
" 22, " February first, nineteen hundred and eighteen (1918).
" 23, " August first, nineteen hundred and eighteen (1918).
" 24, " February first, nineteen hundred and nineteen (1919).
" 25, " August first, nineteen hundred and nineteen (1919).
" 26, " February first, nineteen hundred and twenty (1920).
355 Series 27, payable August first, nineteen hundred and twenty (1920).
Series 28, payable February first, nineteen hundred and twenty-one (1921).
" 29, " August first, nineteen hundred and twenty-one (1921).
" 30, " February first, nineteen hundred and twenty-two (1922).
" 31, " August first, nineteen hundred and twenty-two (1922).
" 32, " February first, nineteen hundred and twenty-three (1923).
" 33, " August first, nineteen hundred and twenty-three (1923).
" 34, " February first, nineteen hundred and twenty-four (1924).
" 35, " August first, nineteen hundred and twenty-four (1924).
" 36, " February first, nineteen hundred and twenty-five (1925).
" 37, " August first, nineteen hundred and twenty-five (1925).
" 38, " February first, nineteen hundred and twenty-six (1926).

Now, this agreement witnesseth:

First. It is agreed that fifty-eight thousand one hundred and seventy-eight (58,178) shares of the capital stock of Coxe Brothers and Company, Incorporated, at the par value of two million nine hundred and eight thousand nine hundred dollars ($2,908,900), and twenty-nine thousand nine hundred and sixty-five (29,965) shares

of the capital stock of The Delaware, Susquehanna & Schuylkill Railroad Company, of the par value of one million four hundred and ninety-eight thousand two hundred and fifty dollars ($1,-
356 498,250), being the entire capital stocks of the said companies, respectively, with the exception of twenty-five shares (25) of the par value of twelve hundred and fifty dollars ($1,250) of the capital stock of Coxe Brothers and Company, Incorporated, and thirty-five (35) shares of the par value of seventeen hundred and fifty dollars ($1,750) of the capital stock of The Delaware, Susquehanna & Schuylkill Railroad Company, held by the directors thereof (the certificates thereof to be held by the trustee subject to the terms of this agreement), shall be this day transferred to and deposited with the trustee for the purpose of securing an issue of bonds in the following form:

(FORM OF COUPON BONDS.)

Series_____

United States of America,

State of Pennsylvania.

No. _____ $1,000.

Lehigh Valley Railroad Company.

Collateral trust four per cent gold bond.

Total issue, $19,000,000.

Know all men by these presents, That the Lehigh Valley Railroad Company, for value received, acknowledges itself indebted to the bearer hereof in the sum of one thousand dollars in gold coin of the United States of America of the present standard of weight and fineness, which sum the said railroad company promises to pay in like gold coin to the bearer or, if registered as hereinafter provided, to the registered owner of this bond at the office or agency of the said railroad company in the city of Philadelphia, Pennsylvania, on the first day of A. D. 19 , with interest thereon from the first day of August, A. D. 1905, at the rate of four per centum
357 per annum, payable semiannually, in like gold coin, on the first days of the months of February and August in each year on delivery of the annexed coupons therefor. The principal and interest of this bond are payable without deduction from either principal or interest for any tax or taxes which may be payable under any present or future laws of the United States of America or of any State or municipality thereof for national, State, or municipal purposes, the said railroad company hereby agreeing to pay any such tax or

taxes which it may now or hereafter be required by any such law to retain therefrom.

This bond is one of an issue of bonds of like tenor and date, but maturing at various times, amounting in the aggregate to nineteen million dollars ($19,000,000), secured by and subject to the provisions of an agreement duly executed and delivered by the Lehigh Valley Railroad Company to the Girard Trust Company, bearing even date herewith, assigning and transferring to the said Girard Trust Company, in trust, fifty-eight thousand one hundred and seventy-eight (58,178) shares of the capital stock of Coxe Brothers and Company, Incorporated, and twenty-nine thousand nine hundred and sixty-five (29,965) shares of the capital stock of The Delaware, Susquehanna and Schuylkill Railroad Company upon the terms and conditions which by said agreement will appear, to all the terms of which reference is had and of which the holder hereof is required to take notice. The modes prescribed in said agreement for the recovery of the principal and interest of the said bonds are exclusive of all others. This bond shall pass by delivery unless registered. The holder hereof may have the ownership of this bond registered on the books of said railroad company in the city of Philadelphia, Pennsylvania, such registry being noted on the bond, after which no transfer shall be valid unless made on the said books by the registered holder in person or by attorney duly authorized and noted on the bond, but the same may be discharged from registry by being in
like manner transferred to bearer, after which it shall be
358 transferable by delivery. Such registration, however, shall not
affect the negotiability of the coupons by delivery merely; or the holder hereof may at any time surrender to the said railroad company all the coupons hereto annexed, not then due, for cancellation and have this bond entered on the company's books as a registered bond, transferable only on the books of the company; and the interest thereon semiannually at the rate of four per centum per annum and the principal thereof, when due, shall be payable only to the registered holder hereof or his legal representatives or assigns.

The railroad company may redeem any of the bonds due and payable after July thirty-first, 1912, on the first day of August and February in any year after said thirty-first day of July, 1912, at two and a half per cent premium upon sixty days' notice thereof advertised not less than once a week in a newspaper published in the city of Philadelphia, Pa., and in one published in the city of New York, N. Y., under and in pursuance of the terms and provisions in said agreement contained. Upon the dates so fixed for redemption interest hereon shall cease.

This bond is not to become obligatory upon the railroad company until the certificate indorsed hereon shall have been signed by the trustee under said agreement.

In witness whereof the said Lehigh Valley Railroad Company has caused these presents to be signed by its president or by its vice

president, and its corporate seal to be hereunto affixed and attested by its secretary, and coupons for said interest with the engraved signature of its treasurer to be attached hereunto, this first day of November, 1905.

LEHIGH VALLEY RAILROAD COMPANY,

By

*Vice President.*

Attest:
[L. S.]

*Secretary.*

359 (Coupon.)

On the first day of the Lehigh Valley Railroad Company will pay to bearer twenty dollars in gold coin at the office or agency of the said Lehigh Valley Railroad Company in Philadelphia, Pennsylvania, being six months' interest then due on its collateral trust gold bond No.
$20.

*Treasurer.*

(Trustee's certificate.)

This bond is one of a series of nineteen thousand bonds of one thousand dollars each referred to in the within mentioned trust agreement executed by Lehigh Valley Railroad Company and delivered to the undersigned.

GIRARD TRUST COMPANY,
*Trustee.*

By

*Vice President.*

360 Second. The said bonds shall be issued in series and amounts as above stated. The railroad company shall execute said bonds, and upon receipt of the collateral hereinbefore mentioned the trustee shall certify and deliver said bonds to the railroad company upon the written order of the president of the railroad company. The railroad company hereby expressly reserves the right, to be exercised by itself or the trustee, by the use of any funds under the control of the railroad company, to redeem any bond or bonds hereby secured, the principal whereof is payable after July 31, 1912, on the first day of August and February in any year after said 31st day of July, 1912, at par with two and a half per cent premium added thereto (in addition to all interest accrued on such bond to such date of redemption) after sixty days' notice, published not less than once a week in one newspaper published in the city of Philadelphia, Pa., and in one published in the city of New York,

N. Y. Such notice shall designate by serial number the bonds so to be redeemed, unless all the outstanding and theretofore uncalled bonds be called, in which case a statement to that effect will be sufficient. All bonds hereby secured when and as redeemed shall be cancelled by the trustee and surrendered to the railroad company.

In making any redemption of less than all the bonds hereby secured at such time outstanding and uncalled, the bonds so to be redeemed shall be in the order of their serial number, but not less than all of any one series, and the bonds so redeemed shall be redeemed on the first day of August or the first day of February next thereafter ensuing after advertisement as aforesaid.

Third. If at any time the railroad company shall make
361 default in the payment of interest or principal of said bonds when and as the same shall severally be due and payable, and such default shall continue for sixty (60) days after such interest and principal or either of them shall become due and payable, or if the said railroad company shall at any time fail to pay the rents or royalties reserved in the several coal leases to said Coxe Brothers and Company, Incorporated, for a period of sixty days from the times fixed in said several leases for the payment of said rents or royalties, or shall fail in the performance of any of the covenants and conditions herein provided, then and in such case the trustee may and upon the written request of the holders of a majority in amount of the said bonds outstanding and unpaid shall sell at public sale at the best price that can be obtained therefor the whole of the said stocks then in possession of the trustee, or so much thereof as may be necessary to pay the said bonds and all arrears of interest thereon, and any surplus remaining after the application of the net proceeds of such sale of stocks by the trustee shall be paid over to the railroad company; if after the sale of the said stocks any balance shall still remain unpaid of the amount due upon said bonds the holders thereof may proceed to collect the same directly from the obligor; it being expressly understood by and between the parties hereto that in case default in payment of principal or interest, or of the rents or royalties, or in the performance of any of the covenants and conditions herein provided shall be made as aforesaid, then the whole of the said bonds outstanding and unpaid shall, upon the demand of the holders of a majority thereof being made as aforesaid, become due and payable forthwith; and except as herein otherwise provided any proceeding at law or in equity to enforce any covenant of the railroad company contained herein
362 or in the said bonds shall be only in the name of the trustee for the benefit of the holders of all the bonds then outstanding.

Fourth. Until default shall be made in the payment of interest or principal as herein provided, or of the rents or royalties as aforesaid, the said trustee shall permit and suffer the railroad company to retain and exercise all the rights, powers, and privileges belonging to or incident to the ownership of the stocks hereby deposited with the

trustee, and to receive the dividends thereon, and the said trustee shall and will from time to time execute and deliver to the railroad company powers of attorney or orders for the collection of such dividends and proxies to be used at annual or special meetings of stockholders for the election of directors, or for any purpose incident to the ordinary and usual business of the company, except, however, and provided always, that such proxies shall in no case be used for the creation of any mortgage indebtedness of Coxe Brothers and Company, Incorporated, or of the Delaware, Susquehanna and Schuylkill Railroad Company, it being understood and agreed that until the payment of the last instalment of principal, as hereinbefore provided, and the termination of this agreement the railroad company will not, as the owner of the capital stock of Coxe Brothers and Company, Incorporated, or of The Delaware, Susquehanna and Schuylkill Railroad Company, consent to the sale or encumbering of the property of the said companies, or either of them, or cause or consent to the increase of the capital stock of either of said companies or to the increase of the indebtedness to any extent that will diminish the value of the capital stock, and that no indebtedness beyond that arising in the ordinary and usual conduct of the business of either of said companies shall be created.

363 And the railroad company also agrees that it shall not suffer or allow any leases now held by Coxe Brothers and Company, Incorporated, to be forfeited nor cause or permit any breach of the lessee's covenants in any of the said leases.

Fifth. It is hereby further covenanted and agreed and this trust is accepted upon the express condition that neither the said trustee nor any successors in the trust shall incur any responsibility or liability by reason of permitting and allowing the railroad company to retain and preserve the powers and authority hereinbefore provided for in regard to the stock of Coxe Brothers and Company, Incorporated, and The Delaware, Susquehanna and Schuylkill Railroad Company, nor shall the said trustee or any successors in the trust be in any way responsible for any other matter or thing whatever except its negligent, wilful, or intentional breaches of the trust herein expressed and contained; and the said trustee or any successors in the trust shall not at any time be bound or required to undertake any proceeding at law or in equity or otherwise for the protection of the bondholders involving expenditures of or liability for the payment of money unless (if the trustee shall see fit to require it) adequate indemnity against such liability or outlay be furnished it by the bondholders asking of it such action or proceeding.

Sixth. The railroad company agrees to pay the charges of the trustee and the expenses attending the execution of this trust and of any sale or sales thereunder.

Seventh. The railroad company shall from time to time execute any other and further instruments or assurances necessary or requisite to carry out the purposes hereof.

364 Eighth. If the interest and principal of the said bonds shall be paid when and as the same shall become payable according to the tenor and effect of the said bonds and according to the provisions of this agreement, then the said trustee, at the request of the railroad company, shall retransfer and deliver to the railroad company the said stocks, and upon such transfer and delivery and full settlement of the trust account with the railroad company the said trustee shall be thenceforth discharged from further duties under this trust and this agreement shall thereupon be terminated.

In witness whereof the Lehigh Valley Railroad Company, the party hereto of the first part, has caused this agreement (executed in duplicate) to be signed by its president and its corporate seal to be hereunto affixed and the same to be attested by the signature of its secretary, and the Girard Trust Company, the party hereto of the second part, has caused this agreement to be signed by its vice
365 president and its corporate seal to be hereunto affixed and the same to be attested by its secretary the day and year first above written.

LEHIGH VALLEY RAILROAD COMPANY,
By E. B. THOMAS, *President.*

Seal Lehigh Valley R. R. Co.

Attest:

D. G. BAIRD, *Secretary.*

GIRARD TRUST COMPANY,
By W. N. ELY, *Vice President.*

Seal Girard Trust Co.

Attest:

E. S. PAGE, *Secretary.*

(Indorsed:) U. S. District Court, S. D. of N. Y. Filed May 2, 1914.

366 In the District Court of the United States for the Southern District of New York. October term, 1913.

THE UNITED STATES OF AMERICA, PETITIONER,
*v.*
LEHIGH VALLEY RAILROAD COMPANY ET AL., defendants.
} In Equity, No. 11–129.

Joint and separate answer of Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbitt, George F. Baker, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby.

Edgar H. Boles, John G. Johnson, solicitors for said defendants.

367 In the District Court of the United States, Southern District of New York. October term, 1913.

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| THE UNITED STATES OF AMERICA, PETITIONER, v. LEHIGH VALLEY RAILROAD COMPANY, ET AL., defendants. | In Equity, No. 11–129. |

*The joint and separate answer of Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbitt, George F. Baker, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby.*

These defendants, now and at all times hereafter reserving unto themselves and each of them all and all manner of benefit of exception and otherwise which can or may be had or taken to the manifold errors, uncertainties, and imperfections in the said petition contained, for answer thereto, or to so much thereof as these defendants are advised it is material or necessary for them to make answer unto, say:

368 I.

They deny that they are parties to a combination and conspiracy to restrain and monopolize interstate and foreign trade and commerce in anthracite and are attempting to monopolize and are monopolizing any part of such trade and commerce in violation of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraint and monopolies" (26 Stat., 209).

II.

In respect of the allegations of the petition relating to their residences and official positions they admit:

(a) That Eben B. Thomas is a resident of South Bethlehem, Pa., and is president of the Lehigh Valley Railroad Company, The Lehigh Valley Coal Company, Coxe Bros. & Co., Inc., The Delaware, Susquehanna & Schuylkill Rail Road Company, and New York and Middle Coal Field Railroad and Coal Company, and is also a director of Coxe Bros. & Co., Inc., and New York and Middle Coal Field Railroad and Coal Company.

(b) That Lyman D. Smith is a resident of Brooklyn, N. Y., and is vice president of the Lehigh Valley Railroad Company, and New York & Middle Coal Field Railroad and Coal Company, and is a director of The Lehigh Valley Coal Company, Lehigh Valley Coal Sales Company, Coxe Bros. & Co., Inc., and New York and Middle Coal Field Railroad and Coal Company.

(c) That Edward T. Stotesbury is a resident of Philadelphia, Pa., and is a director of Lehigh Valley Railroad Company, The Lehigh Valley Coal Company, Coxe Bros. & Co., Inc., and New York and Middle Coal Field Railroad and Coal Company.

(d) That Daniel G. Reid is a resident of New York, N. Y.,
369 and is a director of the Lehigh Valley Railroad Company, The Lehigh Valley Coal Company, and Coxe Bros. & Co., Inc.

(e) That Charles Steele is a resident of New York, N. Y., and was a director of the Lehigh Valley Railroad Company until the fifteenth day of April, 1914.

(f) That Abram Nesbitt is a resident of Wilkes-Barre, Pa., and is a director of the Lehigh Valley Railroad Company.

(g) That George F. Baker is a resident of New York, N. Y., and is a director of the Lehigh Valley Railroad Company.

(h) That Edward B. Smith is a resident of Philadelphia, Pa., and is a director of the Lehigh Valley Railroad Company.

(i) That William H. Moore is a resident of New York, N. Y., and is a director of the Lehigh Valley Railroad Company.

(j) That Edward S. Moore is a resident of Chicago, Ill., and is a director of the Lehigh Valley Railroad Company.

(k) That William R. Butler is a resident of Mauch Chunk, Pa., and is a director of the Lehigh Valley Railroad Company.

(l) That Henry B. Coxe is a resident of Philadelphia, Pa., and is a director of the Lehigh Valley Railroad Company.

(m) That Fred M. Kirby is a resident of Wilkes-Barre, Pa., and is a director of the Lehigh Valley Railroad Company.

## III.

There defendants admit that the directors and executives of the Lehigh Valley Railroad Company control and direct its poli-
370 cies and acts, but they deny that they, or the directors and executives of the Lehigh Valley Railroad Company, or the parties named in the petition in this cause, or any of them or all of them, are responsible for the continuance of any combination and monopolization in restraint of interstate or foreign commerce in anthracite or that such combination exists or ever has existed.

## IV.

They aver that in accordance with the provisions of the acts of General Assembly of the Commonwealth of Pennsylvania, under which the Lehigh Valley Railroad Company, The Lehigh Valley Coal Company, Coxe Bros. & Co., Inc., The Delaware, Susquehanna & Schuylkill Railroad Company, and New York & Middle Coal Field Railroad and Coal Company were respectively organized and under which they now exist and by which their rights and privileges were given and are held, their directors and executives in the positions

respectively noted above, by virtue of the enabling acts aforesaid are authorized and empowered to have and to exercise in the name and in behalf of their respective companies all said rights and privileges.

V.

In respect of the allegations of the petition relating to the several and respective defendant companies, of which these defendants are, respectively, officers or directors as aforesaid, these defendants refer to the respective answers of said company, hereby on information and belief admitting all that is therein admitted and not herein denied, denying all that is therein denied and not herein admitted, and alleging to be true all that is therein alleged to be true and not herein denied.

VI.

371 In respect of the allegations of the petition relating to other defendants or parties except as herein or hereby admitted or denied, these defendants have not sufficient knowledge to enable them to admit or deny any of said allegations, and, if any of them may be deemed material, ask that proper proof be made thereof.

VII.

In respect of the allegations of the petition relating to these defendants other than those herein or hereby admitted or alleged to be true, they deny each and every one of them and they specifically deny:

1. That in any manner or by any means in said petition described or otherwise, they or any of them have been or are engaged in any combination or conspiracy in restraint of interstate or foreign trade and commerce, or that they or any of them have attempted to monopolize or are monopolizing any part of such trade and commerce, or that they have controlled or directed, or taken part in the control or direction, or are controlling or directing or taking part in the control or direction of any such combination, conspiracy, or monopolization in violation of the act of Congress of July 2, 1890, or otherwise. And every one of said defendants severally denies that he or any of the defendant companies of which he is an officer or director is a party directly or indirectly to any agreement, contract, combination, or conspiracy by virtue of which he or any of said defendant companies, either alone or in combination with the other defendants, or any of them, or otherwise, has acquired the power now or hereafter to control, regulate, restrain, or monopolize, or by virtue of which he or such company, either alone or in combination, does control, regulate, restrain, or monopolize either the production of anthracite or its transportation, or its price or sale, in or throughout or among the States in violation of said act of Congress or otherwise.

372

## VIII.

These defendants further deny that they or any of them, or any of the companies of which they are officers or directors, by virtue of any of the matters set forth in the petition or otherwise, have been or are engaged by any means whatsoever in any violation of the act to regulate commerce or any part thereof.

## IX.

For a further and separate answer they allege:

(a) That it appears by the petition that this suit is brought against these defendants and certain corporations named as defendants therein for distinct matters and causes, in some of which these defendants, or some of them, are not interested or concerned, and that the petition, therefore, is multifarious.

(b) That it appears by the petition that this suit is brought against these defendants and certain corporations named as defendants therein for distinct matters and causes, in some of which defendants other than these defendants, or some of them, are in no manner interested or concerned, and in respect thereof this suit can proceed against these defendants, or some of them, to hearing and decree without the presence of said other defendants; wherefore the petition is multifarious.

373 Wherefore these defendants pray that the petition herein be dismissed as against them, with their reasonable costs in this behalf most wrongfully sustained.

EBEN B. THOMAS,
LYMAN D. SMITH,
EDWARD T. STOTESBURY,
DANIEL G. REID,
CHARLES STEELE,
ABRAM NESBITT,
GEORGE F. BAKER,
EDWARD B. SMITH,
WILLIAM H. MOORE,
EDWARD S. MOORE,
WILLIAM R. BUTLER,
HENRY B. COXE,
FRED M. KIRBY,
By EDGAR H. BOLES,
JOHN G. JOHNSON,
*Their Solicitors.*

(Indorsed:) U. S. District Court, S. D. of N. Y. Filed May 14, 1914.

District Court of the United States, Southern District of New York.

THE UNITED STATES OF AMERICA, PLAINTIFF,
vs.
LEHIGH VALLEY RAILROAD COMPANY, LEHIGH Valley Coal Company, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Railroad Company, New York and Middle Coal Field Railroad and Coal Company, The G. B. Markle Company, Girard Trust Company, Eben B. Thomas (and numerous other officers of the defendant corporations), defendants.

Final hearing in equity; action for alleged violation of the "Sherman Act," and of the "commodities clause" of the act of June 29, 1906.

The Attorney General, represented by Thurlow M. Gordon and Arthur W. Machen, jr., Esqrs., *for* plaintiff:

John G. Johnsen, Esq., *for* Lehigh Valley Railroad Co. et al.

Everett Warren, Esq., *for* Lehigh Valley Coal Sales Co.

John Hampton Barnes, Esq., *for* Girard Trust Co.

E. V. B. Getty, Esq., *for* G. B. Markle Co.

F. W. Wheaton, Esq., *for* Lehigh Valley Coal Company; and Coxe Bros. & Company, Inc.

HOUGH, D. J.:

This suit is but one chapter in a litigation against anthracite coal owners and carriers, which has now extended over many years and become historic. The earliest chapter requiring notice is the "First Commodities case" (United States *vs.* Delaware & Hudson Co. et al., 164 Fed. Rep., 215; on appeal 213 U. S., 366); next came the
375 "Second Commodities case" (United States *vs.* Lehigh Valley Railroad Co., 220 U. S., 257), and finally the Lackawanna Coal Sales case (United States *vs.* Delaware, Lackawanna & Western Ry., 213 Fed. Rep., 240).

At page 249 of 213 Fed. Rep., it is said: "We understand that (a new action against the Lehigh Railroad) has recently been brought in the Second Circuit." This is the cause referred to.

The District Court is but a parade ground wherein a review of the evidence and arguments may be taken before this action joins the Lackawanna Coal Sales case on the docket of the Supreme Court. Therefore the statement of facts and summary of litigated questions will be largely made merely by reference to the reports above enumerated.

In the Lackawanna case (213 Fed. Rep., at 263) it is said "the bill of complaint also makes a formal charge * * * under the antitrust act; but the oral argument left us under the impression that this charge was not much insisted upon."

This statement of McPherson, J., marks the only substantial difference that I can discover between this litigation and the one in which he wrote.

The bill herein charges violations both of the "Sherman Act" and the "commodities clause," but the extended arguments are addressed almost wholly to the antitrust feature of the litigation.

So far, therefore, as the commodities clause is concerned I shall dismiss it with the statement that there is no great difference between what the Lackawanna Railway did and was upheld in doing by all the circuit judges of the Third Circuit and what the Lehigh Valley Railroad has been doing as shown in this case.

If there be any material differences they tend to strengthen
376 the position of the Lehigh as compared with that of the Lackawanna. For the Lackawanna owned outright much if not most of the coal long transported over its own lines; whereas the Lehigh Valley owned the stock of other corporations which, under the laws of Pennsylvania, had good right to own the lands and mine and sell the coal, the transportation of which has given rise to so much litigation. I do not myself think that this difference is substantial. Without further discussion it is held that nothing in the bill charged constitutes a violation of the "commodities clause," if the decision in the Lackawanna Coal Sales case is right—and that I am not concerned to question.

While the tone of complainant's argument on the "commodities clause" is well illustrated by an italicized assertion in the brief that "the court (in the Lackawanna case) wholly ignored the most vital provisions in the whole contract," and the decision (of three circuit judges) is merely that "of a court of coordinate jurisdiction and in a different circuit, (and) of course in no way binding upon this court," it is not overlooked that an endeavor has been made to distinguish the Lackawanna suit from this action.

It is asserted that the coal sales company has received and is receiving "discriminating favors from the" other principal defendants. This means that the sales company has an annually diminishing allowance made it by the coal company to encourage the introduction of Lehigh coal in regions where business is presently unprofitable and has been permitted to buy coal in storage at very low rates, while the railroad company has at inadequate rentals leased to the coal sales company certain "storage plants."

377 From the assertion that these arrangements are undue favors is drawn the inference that there is a lack of good faith in the creation of the coal sales company which shows that that corporation is but the alter ego of the coal company, which itself is but the creature of the railroad company, wherefore the law is still infringed.

The suggestion or argument, when examined, amounts to this—that when by the creation of coal sales companies of which no share of stock belonged to the Lackawanna or Lehigh Railroads those corporations sought to comply with modern law it was their duty severally to have no relation whatever with the new companies except to collect freight charges.

But the Lehigh Valley Railroad owned certain lands useful only for storing coal, the coal company had certain coal on hand, and the plan of an independent sales company was new. What should or could be done with the lands and coal on hand, and how could the concern retiring from the selling business ensure the creation of a strong and pushing successor? Certainly not by hostility. Who would or could buy the coal on hand and occupy and use the storage plants except the coal sales company? But (says complainant) the prices were ridiculously low. Answer is justified that (1) the assertion is untrue, and (2) it was praiseworthy and lawful at first to sacrifice much in price when the object was to save from further assault the business of selling coal after interstate transportation—a business that had become precarious owing to modern economics as asserted in statutes and interpreted by the courts.

The differences suggested between this and the Lackawanna case seem to me wholly unsubstantial.

378 Upon the antitrust side of this case no extended discussion of facts is necessary. There is little conflict about facts, in the sense of visible phenomena.

But some analysis of the bill may assist in presenting the theory upon which this suit has been promoted. It is asserted that substantially all of the defendants (except the Girard Trust Company and the G. B. Markle Company)* have combined to restrain and monopolize and have been monopolizing "the production, transportation, and sale in interstate commerce of anthracite coal from lands located along the lines of the Lehigh Valley Railroad."

The method of monopoly and restraint is said to have been by "acquiring control of the output of independent producers by exerting the power of the Lehigh Valley Railroad as a carrier to give undue preference and advantages to the coal producing and trading companies controlled by it and to discriminate against their competitors."

The result of this process is said to be that the "monopoly of the ownership and production of anthracite coal, exercised through subsidiary corporations under its control," has enabled the Lehigh Valley Railroad to prevent "the building of any new railroad in the portion of the anthracite regions served by it and has kept

* NOTE.—The Girard Trust Company is a defendant solely because it is the trustee of certain bonds which might be injuriously affected by granting the prayers of the bill, and the Markle Company is a party because it long ago made an agreement for a term of years by which the Lehigh Railroad exclusively transports the Markle coal, and The Lehigh Coal Company (and now the Coal Sales Company) became the exclusive selling agent for said coal at prices fixed by Markle.

279 independent producers under the disadvantage of having to ship over a railroad *also engaged in the coal business.*"

The italicized portion of the last sentence is most important, for what is meant by engagement in *the coal business?* The bill, the kind of evidence offered, and the arguments in support all really assume that by "coal business" is meant the operations, united in interest and centralized in control, of mining, shipping, transporting, and selling anthracite coal.

It has already appeared that if the Lackawanna Coal Sales case is to be followed it must be held that the Lehigh Valley Railroad has not since the filing of this bill or for some time before been engaged at all in the selling of coal to the consumer. It must therefore follow that when the Government still insists upon the existence of monopoly and restraint of trade such offensive conduct must be found in an identity of interests between a coal-carrying corporation and coal owning and mining companies.

But it must also be remembered that the mere fact of such union in interests as manifested by a stock ownership is not unlawful, provided there is a "dissociation in good faith" between "bona fide corporations."

On this point counsel for the Government have submitted the proposition that the phrases "dissociation in good faith" and "bona fide corporations" as used in the opinions of the Supreme Court do not refer merely or chiefly to the honesty or morality of the transactions, so that when they deny "dissociation in good faith" no reflection is thereby made upon the integrity of those concerned in the transaction.

In other words, a body of men may be honest, moral, well-
280 intentioned, and acting within the letter of the law and yet be unable to resist conviction of monopoly and restraint of trade because they cannot in "good faith" "dissociate" the corporations which they control. The proposition is incredible: to my mind "dissociation in good faith" requires no more than the lawful conduct of honest men.

Many hundreds of pages of the testimony herein is summed up in the "First Commodities case." 164 Fed. Rep., at 222. What Gray, J., there stated is still true and no more detailed reference will be made to the history and development of the Lehigh Valley Railroad and its controlled companies. In order to show monopoly and restraint evidence has been adduced to prove that:

1. For many years before 1912 the coal mining and selling business of The Lehigh Valley Coal Company was either absolutely unprofitable or would not have been profitable if that corporation had not been secretly, unduly, and unlawfully favored in the matter of freight rates.

2. Such favors took the form of the railroad company's furnishing at low rates terminal and storage facilities and making advances of money either without interest or at rates far below what was reasonable under the circumstances.

3. Producers and shippers of coal from lands neither owned nor controlled by any defendant corporation complained of such discriminatory treatment and proved before the Interstate Commerce Commission that their grievances were well founded.

4. The Lehigh Valley Railroad was one of the defendants in United States *vs.* Reading Co. (226 U. S., 24), and has therefore been conclusively shown as a conspirator striving to prevent
381 the construction of another railroad which might afford an outlet for anthracite in addition to the lines of the defendants in that suit.

As to all of the above contentions I decline to make any definite finding, because I regard the evidence as immaterial to existing conditions. All of the matters referred to took place before the creation and entry into business of the Lehigh Valley Coal Sales Company, and assuming all the allegations to be true, it is thought that even in an action under the Sherman Act an opportunity might well be afforded (as in criminal proceedings) for a locus penitentiæ.

The following propositions of law I regard as applicable to this case and the enumerated statements of fact as material to the judgment to be propounded:

1. Ever since the Lehigh Valley Railroad emerged (more than half a century ago) from the throes of establishing any business at all, it has sought to acquire control (mostly through The Lehigh Valley Coal Company) of a considerable portion of that limited region in the State of Pennsylvania which, so far as is known, contains substantially all the anthracite coal in the world.

2. Either by outright purchase, or by acquisition of the stock of (especially) Coxe Bros. & Company, this process had so far succeeded that in the year 1912 (and just before the formation of the Lehigh Valley Coal Sales Company) The Lehigh Valley Coal Company owned or controlled rather less than 13% of the nearly contiguous mining regions in Pennsylvania known as the Wyoming, Lehigh, and Schuylkill. That acreage represented a little less than 27% of the coal lands naturally and conveniently tributary to the lines of the railroad company. Of all anthracite coal transported by all carriers the Lehigh Railroad was then carrying about
382 18%, and of that percentage approximately four-fifths came from mines owned or controlled by The Lehigh Valley Coal Company or was produced through such exclusive transportation contracts as had been made with the Markle Company.

3. The Lehigh Valley Coal Company has from its creation done as it was ordered to do by the Lehigh Valley Railroad, and under such direction has bought, leased, or otherwise acquired control of coal lands. The purpose of this acquisition on the part of the Lehigh Valley Railroad was to get and firmly keep the business of carrying the coal extracted from those lands.

4. The Lehigh Valley Railroad Company does not now and has not since March 1, 1912, owned any shares in any company selling coal beyond the limits of Pennsylvania. It does own and for many

years has owned all the shares of companies which now own and mine coal and sell it in Pennsylvania f. o. b. pit mouth. The same companies before March 1, 1912, sold the coal so mined in many States of the Union after transportation of the same by Lehigh Valley Railroad Company.

5. Since March 1, 1912, the Lehigh Valley Railroad Company has transported no coal (not necessary for its own operation) wherein it had any interest, direct or indirect, within the meaning of existing statutes.

6. The allegations of the bill of complaint permitted as an amendment by the Second Commodities case were fully denied and have never been proved; but if they were true prior to March 1, 1912, they are now immaterial.

7. At the time this bill was filed the regulation of freight rates (including joint rates) for interstate transportation was and still is committed to the Interstate Commerce Commission. No
383 charge of violation of law in respect of rates existing when bill filed or arising since has been proven.

8. The charge in the bill that freight rates for coal carried were made unreasonably high for the purpose "of injuring independent producers of anthracite and of forcing them either to sell their mines * * * or enter into contracts for the sale of their output" is not proven, nor is there any such allegation as to existing freight rates or rates existing at the time of bill filed.

9. The mere creation, maintenance, and extension of the composite business of owning, mining, transporting, and selling coal has long been not only legal but laudable within the State of Pennsylvania, and is so still.*

10. Equitable decrees have occasionally been used as epitaphs or means of preventing the resurrection of obnoxious practices (United States *vs.* Trans-Missouri Freight Assn., 166 U. S., 290); but they normally speak in the present tense and are applied to remedy existing evils and not to characterize or condemn past wrongs.

Assuming for argument's sake the correctness of the foregoing, upon what foundation does the complainant's case rest?

The theory is compendiously shown by the following extract from the brief submitted:

384 "*Carrier analogous to a judge.*"

"The truth is, where a common carrier, charged with the semi-judicial duty of holding the scales even between various shippers who compete with one another and of rendering impartial service to all alike, proceeds to buy up the business of some of these competing shippers the case is as if a judge upon the bench should proceed to

* NOTE.—This proposition is rested without further discussion on the statement of Gray, J., in 164 Fed. Rep., 224, as quoted in 213 U. S., 402. It might have been made after an examination of the testimony in this case.

buy up the claims of some of the litigants in his court. The one practice restrains trade and fosters monopoly as much as the other would hinder justice and promote corruption."

This delightful argumentum ad judicem shows that what is really complained of is the bald fact that the railroad company, by owning the stock of various coal companies, controls and practically owns so much anthracite coal that it can not be trusted to deal fairly with the rest of the world in the matter of transportation charges, which matter the judicial branch of our Government is not content to leave to the regulation of another governmental agency, viz, the Interstate Commerce Commission.

It can not be charged and is not asserted in argument that monopoly exists because of the control of so small a portion of anthracite acreage as has been stated above, nor yet in the mere fact of transporting a correspondingly small proportion of all the coal carried by all carriers. So there is found in the very large proportion which the coal from the Lehigh lands bears to all the coal carried by the Lehigh Railroad a monopoly within the "territorial unit" consisting of the lands presently reached by the Lehigh Railroad.

This doctrine of territorial unit is a novelty which I do not think bears investigating; for all that it does or can amount to is this (under existing decisions): The coal lands are lawfully owned; the coal therefrom is lawfully carried; there is an actual and honest dissociation of interests between coal owner and coal carrier.
385 The relations which are complained of have therefore no influence upon interstate commerce, for said relations begin, exist, and end within the limits of the State of Pennsylvania and are there entirely legal.

The foregoing discussion of the "antitrust" portion of this bill has resulted rather from the vigorous confidence of counsel than from any perception on my part of its difficulty.

If the Lackawanna case is to be followed and any violation (at or since time when bill filed) of the commodities clause denied, there is no life left in this action unless the meaning of the well-worn phrase "interstate commerce" is to receive fresh enlargement. Complainant's evidence and arguments consist largely in an iteration of alleged wrongs committed in those far-off days when the same entity could mine, transport, and sell its own coal without encountering governmental interference. So great were those wrongs, it is said, that even though transportation and ownership be now fully divorced in "good faith," their recurrence can only be effectually prevented by finding monopoly and restraint in any ownership by a carrier of potential tonnage, which is undoubtedly the railroad way of regarding unmined coal.

But it is still true that to violate the Sherman Act there must be monopoly or restraint of a particular thing, "interstate commerce." Separated from the commodities clause, the same kind of argument would apply to wheat or timber grown on the extensive realty of one of the "land-grant" railroads of the West, and there is at

bottom no difference between this argument against the Lehigh Railroad's retention of its coal stocks and the view humorously condemned by Justice Brewer in an address well worth remembering.*

386 This case may be thus summed up: No monopoly of interstate commerce is shown, nor any attempt to monopolize. For the proof of the pudding is in the eating thereof, and it is impossible to find any of the normal results of monopoly without also finding violations of the commodities clause, and none is discovered. As to restraint of interstate trade in coal transported over the Lehigh road, there can be no restraint without control, and since the railroad does not control the coal it carries, it has no means of restraint.

Bill dismissed.

C. M. HOUGH, *D. J.*

DEC. 21, 1914.

(Endorsed:) U. S. District Court, S. D. of N. Y. Filed Dec. 21, 1914.

387 *Final decree.*

In the United States District Court, Southern District of New York.

UNITED STATES OF AMERICA, PETITIONER, *v.* LEHIGH VALLEY RAILROAD COMPANY ET AL., respondents. } In Equity, No. 11–129.

*Decree.*

This cause came on to be heard at the November term of this court and was argued by counsel and thereupon, upon consideration thereof, it was ordered, adjudged, and decreed that the petition herein be and the same is hereby dismissed.

C. M. HOUGH, *D. J.*

NEW YORK CITY, FEBRUARY 8th, 1915.

Form approved:

*Special Assistant to the Attorney General.*

(Endorsed:) U. S. District Court, S. D. of N. Y. Filed Feb. 8, 1915.

* NOTE.—"The Constitution gives to Congress the exclusive regulation of commerce between the States, as well as between this country and foreign nations; but who can now say, in view of legislation and judicial decision, at what period of time interstate commerce begins, and where it ends? If we listen to the contention of some, we shall be led to believe that when the farmer sows his wheat, having in view the gathering in the fall of a crop of grain which he intends to sell to a mill in some other State, the power of Congress attaches as upon a beginning of interstate commerce and continues until the wheat has been manufactured into bread and eaten by the consumer." (Address before Virginia State Bar Association, August, 1906.)

388 In the District Court of the United States for the Southern District of New York. In Equity.

THE UNITED STATES OF AMERICA, PETITIONER,
*vs.*
LEHIGH VALLEY RAILROAD COMPANY ET AL.

And now comes the United States of America, petitioner, by its counsel, and makes and files this, its assignment of errors herein, to wit, that the court erred:

1. In dismissing the petition.

2. In failing and refusing to sustain the original petition in its entirety and in dismissing the same as to any charge therein or as to any defendant.

3. In failing and refusing to adjudge that the defendants, the Lehigh Valley Railroad Company, The Lehigh Valley Coal Company, the Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., The Delaware, Susquehanna & Schuylkill Railroad Company, the New York and Middle Coal Field Railroad and Coal Company, the G. B. Markle Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, have been and are engaged in a combination and conspiracy in restraint of interstate and foreign trade and commerce in anthracite coal, and have attempted to monopolise and have been and are monopolising a part of said trade and commerce in anthracite coal in violation of the act of July 2, 1890 (26 Stat., 209), and in failing and refusing perpetually to enjoin the said defendants and their officers, directors, and agents from further carrying out or maintaining said conspiracies, combinations, and attempts to monopolise or monopolisations, and any others of like character and effect.

389 4. In failing and refusing to adjudge that the defendant, the Lehigh Valley Railroad Company, has been and is attempting to monopolise, and monopolising the production, transportation, and sale in interstate and foreign commerce of anthracite coal from lands so situated as to be naturally tributary to the said Lehigh Valley Railroad and commercially capable at the present time, in respect to ownership and otherwise of transportation, to market over the said railroad, and in failing and refusing to enjoin the continuance of such attempt and monopolisation; and in failing and refusing to adjudge that the individual defendants, through said railroad company, have been and are engaged in a combination and conspiracy to restrain trade in respect to such production, transportation, and sale of such anthracite coal in interstate and foreign commerce, and in failing and refusing to enjoin the continuance of said combinations and conspiracies.

5. In failing and refusing to adjudge that the acquisitions by the Lehigh Valley Railroad Company of the shares now held by it of

the capital stocks of the defendants, The Lehigh Valley Coal Company, Coxe Brothers and Company, Inc., and the New York and Middle Coal Field Railroad and Coal Company, were made in furtherance of combinations and conspiracies to restrain, and attempts to monopolise, and monopolisations of interstate and foreign trade and commerce, and that the continued ownership thereof by the said Lehigh Valley Railroad Company constitutes a combination in restraint of interstate and foreign trade and commerce and an attempt to monopolise and a monopolisation of a part of the same in vilation of said act of July 2, 1890.

6. In failing and refusing to adjudge that the contract for the purchase by the Lehigh Valley Railroad Company of the entire capital stocks of Coxe Brothers and Company and The Dela-
390 ware, Susquehanna and Schuylkill Railroad Company constitutes a contract in restraint of interstate and foreign trade and commerce prohibited by the said act of July 2, 1890, and that the continued ownership of said stocks or either of them by the said Lehigh Valley Railroad Company constitutes a combination in restraint of such trade and commerce, and an attempt to monopolise and a monopolisation of a part thereof in violation of said act of July 2, 1890, and in failing to enjoin the continued ownership or control of said stocks under and pursuant to said contract.

7. In failing and refusing to require the Lehigh Valley Railroad Company to dispose of its controlling interests in the capital stocks of The Lehigh Valley Coal Company, Coxe Brothers and Company, Inc., The Delaware, Susquehanna & Schuylkill Railroad Company, and the New York and Middle Coal Field Railroad and Coal Company, and each of them, to persons not stockholders nor agents nor otherwise under the control or influence of the said Lehigh Valley Railroad Company, and in such manner that said corporations shall not have the same controlling stockholders or be in anywise under the same control, and in failing and refusing, pending such disposition, to enjoin the Lehigh Valley Railroad Company from voting or receiving dividends in respect of any part of said stocks.

8. In failing and refusing to adjudge that the Lehigh Valley Railroad Company, its officers and agents, and the individual defendants, have been and are engaged in a combination and conspiracy to restrain trade and commerce among the States and with foreign nations and in an attempt to monopolise and a monopolisation of a part of such trade and commerce in violation of the said act of July 2, 1890, by acquiring and holding control of the capital stocks of The Lehigh Valley Coal Company and of other coal companies mentioned in the petition for the purpose and with the effect of using such control in order to dictate and require the routing of anthracite
391 coal produced by said companies via the Lehigh Valley Railroad and thus of preventing competition by other carriers for the transportation of said coal from Pennsylvania to other States and foreign countries, and in failing and refusing to enjoin the continuance of said combination and conspiracy and of said monopoli-

sation and attempt to monopolise, and in failing and refusing to require the Lehigh Valley Railroad Company, its officers and agents, and the individual defendants to surrender and part with the control so acquired and held.

9. In failing and refusing to adjudge that the Lehigh Valley Railroad Company and the individual defendants, through the instrumentality of The Lehigh Valley Coal Company, Coxe Brothers and Company, Inc., the New York and Middle Coal Field Railroad and Coal Company, and the Lehigh Valley Coal Sales Company, have been and are monopolising and attempting to monopolise the sale in interstate commerce of anthracite coal at points reached and served by the Lehigh Valley Railroad and in failing to enjoin the consummation of said attempt and the continuance of said monopolisation.

10. In failing and refusing to adjudge that the defendant The Lehigh Valley Coal Company in and of itself constitutes a combination in restraint of interstate trade and commerce and a monopolisation of a part of the same in violation of the aforesaid act of July 2, 1890; and in failing and refusing to decree that such combination and monopolisation be dissolved under the supervision and direction of the court into such number of units of separate and distinct ownership as may be necessary to restore competition in the production, sale, and transportation in interstate and foreign commerce of anthracite coal from mines tributary to the Lehigh Valley Railroad and in the sale of anthracite coal at points reached and served by the said railroad; and in failing and refusing to appoint a receiver to take and hold possession of the property of the said Lehigh Valley Coal Company until the completion of such dissolution.

392 11. In failing and refusing to adjudge the contract dated December 30, 1889, between The Lehigh Valley Coal Company and G. B. Markle and Company, a copy of which is filed with the petition, to be a contract in restraint of trade and commerce among the States and with foreign nations and an attempt to monopolize a part of such trade and commerce in violation of the said act of July 2, 1890, and in failing and refusing to set aside and annul the said contract and to enjoin the further performance thereof.

12. In failing and refusing to consider the means whereby the monopoly complained of in the petition was built up and maintained, and in failing and refusing to consider and adjudge that such monopoly was built up in and by illegal rebates, favors, preferences, and discriminations given and extended by the Lehigh Valley Railroad Company to The Lehigh Valley Coal Company, Coxe Bros. and Co., Inc., and the Lehigh Valley Coal Sales Company in violation of the act to regulate commerce and amendments and supplements thereto; and by charging to independent shippers of anthracite coal unreasonably high freight rates in violation of the act to regulate commerce and of the common law; and by transporting in interstate and foreign commerce since January 1st, 1908, anthracite coal which was mined by or under the authority of the Lehigh Valley Railroad Company and in which said company had an interest, and also other commodities in which said railroad company had an interest, in vio-

lation of that portion of the act to regulate commerce as amended June 29th, 1906, commonly known as the commodities clause; and by other practices unfair and illegal in and of themselves under both Federal and State laws set forth in the petition and disclosed in the evidence.

13. In failing and refusing to enjoin the defendants from requiring or threatening to require performance of covenants in leases of anthracite-bearing lands binding the lessees to ship the output thereof over the lines of the Lehigh Valley Railroad Company.

393 14. In failing and refusing to adjudge that the contracts, leases, and agreements between the Lehigh Valley Railroad Company, The Lehigh Valley Coal Company, and the Lehigh Valley Coal Sales Company, dated March 1, 1912, copies whereof are filed with the petition, constitute contracts and combinations in restraint of interstate and foreign trade and commerce in anthracite coal in violation of the said act of July 2, 1890, and are otherwise illegal, and in failing and refusing to annul the said contracts, leases, and agreements and to enjoin the parties thereto from entering into any similar arrangements or agreements.

15. In failing and refusing to sustain the charge of the original petition that the transportation of anthracite coal in interstate commerce by the defendant, the Lehigh Valley Railroad Company, under the circumstances stated in the petition is a violation of the act to regulate commerce as amended June 29, 1906, and in failing and refusing to grant appropriate relief thereunto and in dismissing the petition as to that charge.

16. In failing and refusing to sustain the charge of the original petition that the defendant, the Lehigh Valley Railroad Company, is transporting in interstate commerce anthracite coal mined and purchased by it and in which it has an interest at the time of transportation and from which it has not in good faith dissociated itself, in violation of that clause of the act to regulate commerce as amended June 29, 1906, commonly known as the commodities clause, and in failing and refusing to grant appropriate relief thereunto and in dismissing the petition as to that charge.

17. In failing and refusing to sustain the charge of the original petition that the defendant, the Lehigh Valley Railroad Company, since March 1, 1912, when the contract of that date between it and the defendant, the Lehigh Valley Coal Sales Company, went into effect, has not bona fide divested itself of all interest in anthra-

394 cite coal produced by it or under its direction or authority or control or purchased from others before accepting the same for carriage and has not in good faith dissociated itself from such coal before the transportation thereof, and that it has been unlawfully transporting the same in interstate and foreign trade and commerce in violation of that clause of the act to regulate commerce, as amended June 29, 1906, commonly known as the commodities clause, and in failing and refusing to grant appropriate relief thereunto and in dismissing the petition as to that charge.

18. In failing and refusing to find and adjudge that through the method fixed for determining the selling price prescribed in the aforesaid contract of March 1, 1912, between the defendant The Lehigh Valley Coal Company and the defendant the Lehigh Valley Coal Sales Company the former, and through it the Lehigh Valley Railroad Company, retains an interest in the coal until and during the time of transportation.

19. In failing and refusing to adjudge and determine that The Lehigh Valley Coal Company and Coxe Brothers and Company, Inc., and each of them, constitutes a mere instrumentality of the Lehigh Valley Railroad Company and is not a bona fide separate corporation.

20. In failing and refusing to find and adjudge that the defendants the Lehigh Valley Railroad Company, The Lehigh Valley Coal Company, Coxe Brothers and Company, Inc., and the Lehigh Valley Coal Sales Company, are but instrumentalities of the same combination of stockholders or persons and that the arrangements and contracts by and between them as set forth in the petition and disclosed in the evidence are but devices to avoid and evade the prohibitions of that portion of the act to regulate commerce as amended June 29, 1906, commonly known as the commodities clause.

395 21. In failing and refusing to enjoin the defendant the Lehigh Valley Railroad Company from transporting in interstate or foreign commerce any anthracite coal produced by The Lehigh Valley Coal Company or by Coxe Brothers and Company, Inc., or purchased by either of said corporations from others and sold, transported, or delivered to the defendant Lehigh Valley Coal Sales Company in pursuance of said contract dated March 1, 1912, or any similar agreement or arrangement.

22. In failing and refusing to adjudge that transportation by the Lehigh Valley Railroad Company of the coal mined by the G. B. Markle Company and handled by the Lehigh Valley Coal Sales Company as deputy of The Lehigh Valley Coal Company, which latter was and is responsible for such coal to the G. B. Markle Company under the contract dated December 30, 1889, between The Lehigh Valley Coal Company and G. B. Markle and Company, constituted and constitutes a violation of that portion of section 1 of the act to regulate commerce, as amended June 29, 1906, commonly known as the commodities clause, and in failing and refusing to enjoin such transportation.

23. In failing and refusing to dismiss the entire petition without prejudice, if dismissed at all, and in failing to adjudge all costs in favor of the petitioner.

H. SNOWDEN MARSHALL,
*U. S. Attorney.*

ARTHUR W. MACHEN, JR.,
*Special Assistant to the Attorney General.*

(Endorsed:) U. S. District Court, S. D. of N. Y. Filed Feb. 8, 1915.

396 *Petition for appeal.*

In the District Court of the United States for the Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,
*v.*
LEHIGH VALLEY RAILROAD COMPANY, LEHIGH VALLEY Coal Company, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Railroad Company, New York and Middle Coal Field Railroad and Coal Company, The G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants. } In Equity.

The United States of America, petitioner, feeling itself aggrieved by the final decree entered in the above-entitled cause, on the 8th day of February, 1915, by its counsel comes into open court and prays an appeal therefrom to the Supreme Court of the United States.

The particulars wherein the petitioner considers the said decree erroneous are set forth in the assignments of error herewith filed, to which reference is made.

The United States of America, petitioner, further prays that a transcript of the record, proceedings, and papers on which the decree was made and entered, duly authenticated, may be transmitted forthwith to the Supreme Court of the United States.

H. SNOWDEN MARSHALL,
*United States Attorney.*

ARTHUR W. MACHEN, Jr.,
*Special Assistant to the Attorney General.*

397 *Order allowing appeal.*

In the District Court of the United States for the Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,

*vs.*

THE LEHIGH VALLEY RAILROAD COMPANY ET AL.

Be it remembered that in the above-entitled cause on this 8th day of February, nineteen hundred and fifteen, the United States of

America, petitioner, appearing by counsel in open court presented and caused to be filed its petition praying an appeal to the Supreme Court of the United States from the final decree entered herein on the 8th day of February, 1915, and at the same time presented and caused to be filed its assignment of errors, all as required by the statute and rules of court.

On consideration thereof the court ordered and decreed that the appeal be allowed as prayed, and the clerk was directed to transmit forthwith to the Supreme Court of the United States a properly authenticated transcript of the record, papers, and proceedings.

C. M. Hough, *D. J.*

(Endorsed:) U. S. District Court, S. D. of N. Y. Filed Feb. 8, 1915.

398 *Petition and order as to appeal record.*

In the District Court of the United States for the Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,

*vs.*

LEHIGH VALLEY RAILROAD COMPANY ET AL.

*To the honorable the judges of the District Court of the United States for the Southern District of New York.*

The petition of the United States of America respectfully shows:

1. That the petitioner has prayed an appeal to the Supreme Court of the United States from the final decree of this honorable court passed on the 8th day of February, 1915, dismissing the petition herein, and has prayed that a transcript of the record, proceedings, and papers on which the decree was made and entered, duly authenticated, may be transmitted forthwith to the said Supreme Court of the United States.

2. That the evidence in this case consists of two volumes of testimony and of two volumes of exhibits or documentary evidence. That the whole of the evidence, both documentary and other, has been printed for use in this court and that a sufficient number of printed copies have been prepared which are available for use at the hearing of this case in the Supreme Court of the United States under the rules of said Supreme Court. That it would not be possible to abbreviate the testimony very materially by reducing the same to
399 narrative form and that it is impossible to abbreviate the exhibits or documentary evidence at all. It is questionable whether the reduction of the testimony to narrative form would per-

mit of its condensation into less than two volumes in addition to the two volumes of exhibits. The testimony was taken before an examiner, and colloquies between counsel and other unnecessary matter which would have been contained in a stenographic report of the evidence if it had been taken in open court were, so far as practicable, largely eliminated. The additional expense to the parties involved in reducing the testimony to narrative form, necessitating the printing of the condensed narrative, would be out of all proportion to any advantage that might be gained thereby. In addition to these circumstances, the pages of the volumes of testimony and exhibits are now numbered consecutively, Volume I consisting of the petitioner's testimony, Volume II of the petitioner's exhibits, Vol. III of the defendants' testimony, and Volume IV of the defendants' exhibits; and if the testimony were reduced to narrative form the pagination would not be continuous, and confusion would arise. That all parties to this cause therefore desire that the testimony be reproduced in the transcript of record in the exact words of the witnesses.

Wherefore the petitioner prays, pursuant to rule 75 of the Rules of Practice in Equity promulgated by the Supreme Court of the United States, effective February 1, 1913, that the testimony may be reproduced in the transcript of the record in the exact words of the witnesses.

ARTHUR W. MACHEN, JR.,
*Special Assistant to the Attorney General.*
H. SNOWDEN MARSHALL,
*United States Attorney.*

400 We confirm the facts stated in the foregoing petition and unite in asking for the passage of an order as therein prayed.

EDGAR H. BOLES,
*For Lehigh Valley Railroad Company et al.*
F. W. WHEATON,
*For Lehigh Valley Coal Company et al.*
EVERETT WARREN,
*For Lehigh Valley Coal Sales Company.*
ROOT, CLARK, BUCKNER & HOWLAND,
*For Girard Trust Company, Trustee.*
E. V. B. GEITY,
*Atty. G. B. Markle Co.*

401 In the District Court of the United States for the Southern District of New York.

THE UNITED STATES OF AMERICA, PETITIONER,

vs.

THE LEHIGH VALLEY RAILROAD COMPANY ET AL.

Ordered by the court this 8th day of February, nineteen hundred and fifteen, that in making up the transcript of the record in this

case, pursuant to the order of appeal herein entered on the 8th day of February, 1915, the testimony herein be reproduced in said transcript in the exact words of the witnesses.

C. M. HOUGH, *D. J.*

(Endorsed:) U. S. District Court, S. D. of N. Y. Filed Feb. 9, 1915.

402 THE UNITED STATES OF AMERICA, ss:

*To Lehigh Valley Railroad Company, Lehigh Valley Coal Company, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Railroad Company, New York and Middle Coal Field Railroad and Coal Company, The G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby.*

Whereas The United States of America has lately appealed to the Supreme Court of the United States from a final decree lately rendered in the District Court of the United States for the Southern District of New York made in favor of you, Lehigh Valley Railroad Company, Lehigh Valley Coal Company, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Railroad Company, New York and Middle Coal Field Railroad and Coal Company, The G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, you are therefore hereby cited to appear before the said Supreme Court of the United States to be held at the city of Washington, District of Columbia, on the 8th day of March, nineteen hundred and fifteen, to do and receive what may appertain to justice to be done in the premises.

Given under my hand at the city of New York, in the Second Circuit, the 8th day of February, nineteen hundred and fifteen.

[SEAL.] C. M. HOUGH,
*District Judge.*

Service of a copy of the above citation acknowledged this 9th day of February, 1915.

EDGAR H. BOLES,
*Solicitor for Lehigh Valley Railroad Company, Solicitor for Delaware, Susquehanna & Schuylkill Railroad Company, Solicitor for the Individual Defendants.*

Service of a copy of the above citation acknowledged this 9th day of February, 1915.

ALLAN MCCULLOH,
*Solicitor for Lehigh Valley Coal Co., Solicitor for Coxe Brothers & Co., Inc., Solicitor for New York & Middle Coal Field Railroad & Coal Co.*

402 Service of a copy of the above citation acknowledged this 9th day of February, 1915.

NICHOLAS W. HACKER,
*Solicitor for Lehigh Valley Coal Sales Company.*

Service of a copy of the above citation acknowledged this 8th day of February, 1915.

SILAS W. HOWLAND,
*Solicitor for Girard Trust Company.*

Service of a copy of the above citation acknowledged this 9th day of February, 1915.

C. V. B. GETTY,
*Solicitor for The G. B. Markle Company.*

404 (Endorsed:) In the District Court of the United States for the Southern District of New York. The United States of America, petitioner, vs. Lehigh Valley Railroad Company et al., defendants. E., 11-129. Citation. Arthur W. Machen, jr., spec. ass't to Atty. Genl., Central Savings Bank Bldg., Baltimore, Md. U. S. District Court, S. D. of N. Y. Filed Feb. 11, 1915.

405 UNITED STATES OF AMERICA,
*Southern District of New York, ss:*

THE UNITED STATES OF AMERICA, PETITIONER,

*vs.*

LEHIGH VALLEY RAILROAD COMPANY, LEHIGH VALLEY COAL COMPANY, Lehigh Valley Coal Sales Company, Coxe Brothers and Company, Inc., Delaware, Susquehanna and Schuylkill Railroad Company, New York and Middle Coal Field Railroad and Coal Company, The G. B. Markle Company, Girard Trust Company, Eben B. Thomas, Lyman D. Smith, Edward T. Stotesbury, Daniel G. Reid, Charles Steele, Abram Nesbit, George F. Baker, George F. Baer, Edward B. Smith, William H. Moore, Edward S. Moore, William R. Butler, Henry B. Coxe, and Fred M. Kirby, defendants.

I, Alexander Gilchrist, jr., clerk of the District Court of the United States of America for the Southern District of New York,

do hereby certify that the five volumes, viz: Volumes I, II, III, and IV, containing the evidence and exhibits numbered from page 1 to page 2658, volume marked pleadings, containing the pleadings, opinion, decree, appeal papers, etc., numbered from page 1 to page 404, is a correct transcript of the record of the said District Court in the above-entitled matter.

In testimony whereof I have caused the seal of the said court to be hereunto affixed, at the city of New York, in the Southern District of New York, this 18th day of February, in the year of our Lord one thousand nine hundred and fifteen, and of the independence of the said United States the one hundred and thirty-ninth.

[SEAL.] ALEX. GILCHRIST, JR.,
*Clerk.*

(Indorsement on cover:) File No. 24576, S. New York, D. C. U. S. Term No. 363. The United States of America, appellant, vs. Lehigh Valley Railroad Company, Lehigh Valley Coal Company et al. Filed February 25th, 1915. File No. 24576.

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